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Daily Report
Central Eurasia

FBIS-SOV-95-049 *14 March 1995*

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ITAR-TASS Carries Press Review for 14 Mar

LD1403071295 Moscow ITAR-TASS in English 0656 GMT 14 Mar 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow March 14 TASS—The Chechen theme is among the main topics of today's Russian press. The IZVESTIYA newspaper states in connection with the conference "Peace Initiative in Caucasus" to be held in Moscow on March 14 that "the more evident the deadend of official ways to pull out of the Chechen crisis, the broader the range of suggested public routes there".

However, the newspaper quotes Andrey Loginov, chief of the division of the Russian president's office on cooperation with political parties, non-government associations, parliamentary groups and legislators, as saying that such initiatives "are not in tune with actions by federal authorities and the Chechen side" and this "only delays a settlement of the Chechen crisis".

Ramazan Abdulatipov, deputy speaker of the Federation Council (Russian parliament upper chamber), is a member of the coordination committee preparing the conference. The NEZAVISIMAYA GAZETA newspaper carries Abdulatipov's message to President Boris Yeltsin on "federal and nationality policy" under the headline "Nationality Policy of Russia Should Be Honest and Democratic".

"A KOMSOMOLSKAYA PRAVDA reporter did what the military intelligence, the Interior Ministry or the Federal Counterintelligence Service could not do. Apart from finding Dzhokhar Dudayev, he took an exclusive interview from him." Under this subtitle, the newspaper carries an interview with Dudayev given by him in "a small Chechen village".

Dudayev said that "the main thing now is to shift the war to the enemy territory. Incidentally, this movement is spreading spontaneously. Detachments of kamikazes are forming by themselves.

"When they worm their way into Russian cities, innocent people may suffer. On the other hand, we have addresses of specific people guilty of the death of thousands of civilian Chechens. We want to organise this process somehow."

According to his assertions, "the top military leadership (I mean Grachev and Shaposhnikov) are not to blame for the appearance of huge quantities of weapons in the Chechen republic.

"The top Russian politicial leadership took a decision on the transfer of weapons and combat materiel to Chechnya." According to Dudayev, a lot of weapons was purchased later. "I do not want to conceal this fact," Dudayev said, "that we purchased weapons and ammunition also from the Russian Army during the warfare."

Featuring this interview, KOMSOMOLSKAYA PRAVDA puts the following question: Does the meeting between its reporter and Dudayev mean that the separatist leader is "elusive only because nobody is hunting him?"

The ROSSIYSKAYA GAZETA newspaper cites data of the Russian Interior Ministry, according to which "seed capital of numerous commercial structures and people working at them has formed up and continues to increase due to criminal means. According to our and foreign experts, between 30 and 60 billion U.S. dollars were exported from Russia since the start of the 1990s".

The same daily writes in one of its articles about Aleksandr Lebed, commander of the 14th Russian Army in the Dniester area (eds: Dniester area is populated by mostly Russian and Ukrainian people and seeks independence from Moldova).

The newspaper claims that popularity of the army commander "is even higher in political circles than among the military. Why has this happened?" the newspaper reports that "starting from autumn 1991, Lebed did not join any political group.

"However, only a few know that he has been engaged in consultations, throughout this period, with the leaders of all political parties and parliamentary groups".

Describing the dissolution of the Kazakh parliament, IZVESTIYA stresses that there is now a threat to stability there. In the opinion of ROSSIYSKAYA GAZETA, President Nursultan Nazarbayev "considerably strengthened the prestige of the constitutional court, creating a precedent for the future".

"The disintegration of the Bolshoy Theatre is a crime against Russian culture," writes IZVESTIYA, describing a long-standing conflict in the theatre and around it.

According to the newspaper, Culture Minister Yevgeniy Sidorov believes that reorganisation of the theatre can start only after managing director of the Bolshoy V. Kokonin who "destroyed the theatre", quits.

The opinion of the SOVETSKAYA ROSSIYA newspaper is quite opposite. The daily writes: "Mister Sidorov explained to actors that he cannot do away without Kokonin's services, because he is 'the centerpiece' of all commercial activities at the Bolshoy Theatre".

NEZAVISIMAYA GAZETA claims that former chief choreographer Yuriy Grigorovich and Kokonin "are backstage figures in this conflict, although tragic ones. Star roles are played by top officials who are dividing although unseen but evidently very sweet pie".

Tripartite Customs Union Fails To Get Off Ground

LD1303183895 Moscow INTERFAX in English 1625 GMT 13 Mar 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

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[FBIS Transcribed Text] Russia, Belarus and Kazakhstan now try to boost up effort to create so called green corridors for an impeded flow of goods across their borders, Deputy Head of Russia's State Customs Committee (GTK) Vladimir Mesheryakov told Interfax.

He said that a GTK working group flew out to Kazakhstan on Sunday to discuss the unification of foreign trade evaluation and customs controls as well as a program on setting up checkpoints on the Kazakh border.

Mesheryakov complained about delays in introducing common customs tariffs and signing a re-export deal with Kazakhstan to prevent the flight of Russian goods to third countries.

He fears that the customs union deal may be delayed unless Kazakhstan's customs service is weaned away from its finance ministry, a view that is also being shared by Deputy Head of the Kazakh Customs Service Viktor Shklyar.

Belarussian Vice Premier Mikhail Myasnikovich said that Russia and Belarus are expected to flesh out a program of setting up checkpoints on the common border later this month.

He said that a Belarussian team would arrive in Moscow this week to discuss financial and technical issues and determine "the list of concrete measures". A team of Russian customs officials is due to visit Minsk, Brest and Grodno. The two countries are expected to start removing border controls with each other later next month.

Myasnikovich also complained about a slowdown in the formation of a three-nation customs union under the agreement signed two months ago.

The official said that all the agreements with Moscow subject to ratification will be brought before parliament by March 20. He said these were now realigned with Russian legislation.

Moscow, Baku Seen Mutually Displeased Over Karabakh

MK1403112095 Moscow NEZAVISIMAYA GAZETA in Russian 14 Mar 95 p 2

[Report by Aydyn Mekhtiyev under the "Diplomacy" rubric: "Moscow, Baku Displeased With Each Other. This Has Affected Even Telephone Communications"]

[FBIS Translated Text] Against the backdrop of hostilities that broke out last week on the Armenian-Azerbaijani border, signs of increasing tensions have emerged in relations between Baku and Moscow. The Russian Foreign Ministry issued a harsh statement denouncing negative comments by Azerbaijani officials on Moscow's role in the Karabakh settlement: "Assertions that Russia is allegedly not interested in a conflict settlement and is trying to wrestle the peacekeeping process away from the OSCE are absolutely incorrect. Isn't there a wish behind that to conceal one's unrealistic approaches that put brakes on forward movement?" The document, expressing the viewpoint of Smolenskaya Square [Foreign Ministry], says also that precisely with Moscow's assistance a cease-fire agreement was reached that has been in effect for more than ten months now.

Although the statement by the Russian Foreign Ministry does not mention specific names of Azerbaijani officials who have hurt Moscow's self-esteem, many observers think that the emergence of this document was prompted by an unusually harsh statement by Vaf Gulizade, Azerbaijani state secretary for foreign affairs, who accused Russia of supporting Yerevan's expansionist policy. In late February, Gulizade said during his visit to Turkey: "Armenia is a Russian military base in the Transcaucasus that carries out Moscow's will."

Notably, the emergence of this document from deep inside the Foreign Ministry has nearly coincided with another event—the sudden cancellation of a Baku visit by Dmitriy Ryurikov, the Russian president's international affairs adviser. Sources in the Kremlin told your NEZAVISIMAYA GAZETA correspondent that the visit was not canceled, but just postponed indefinitely. Observers, however, are inclined to link this fact to the Russian Foreign Ministry's latest statement. Earlier, the Baku authorities criticized the Russian Government's decision to suspend railway communications between Moscow and Azerbaijan, something that has caused a drastic deterioration of the economic situation in Azerbaijan. Certain representatives of the Russian top brass, for their part, have accused the Azerbaijani side of indirectly supporting Dzhokhar Dudayev. Typically, after the text of the alleged telephone conversation between Dudayev and Iskander Gamidov, leader of Azerbaijan's "Gray Wolves," was published by KOMSOMOLSKAYA PRAVDA, telephone links between Baku and Moscow were mysteriously broken almost completely.

Baltic Air Force Commanders Discuss Airspace Control

WS1403103195 Riga DIENA in Latvian 2 Mar 95 p 8

[Report by Liga Laizane: "NATO Gets Acquainted With Concept of Baltic Airspace Control"]

[FBIS Translated Text] Riga, 1 Mar—During their recent meeting in Riga, the Lithuanian, Latvian, and Estonian Air Force commanders have set several goals, including the creation before April of a mutual concept of Baltic airspace control. A copy of the final document will be presented to the NATO Committee for Airspace Protection.

In an interview with DIENA, Colonel Karlis Kins, commander of the Latvian Air Force, stated that the protocols from yesterday's and today's meetings will be

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signed next week, when the representatives of Estonia have had an opportunity to fully analyze it.

Experts from Denmark also took part in yesterday's meeting.

At the end of March, the three commanders of the Baltic states' Air Forces will again meet in Riga, to acquaint each other with the draft concepts of airspace control, worked out by their respective states. The commander of the Latvian Air Force added that it is not easy to coordinate the views of the three states on this matter. Nonetheless, he sounded optimistic.

Kins emphasized that it is very important for the Latvian Government to analyze and endorse the concept by the end of March, before the next meeting of the commanders, during which the final concept of joint airspace control is to be completed.

To receive recommendations and an evaluation from the NATO Airspace Protection Committee, the mutual concept will be submitted to the committee, which is based in Brussels, on 12 April.

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U.S. Adviser at Baykonur Said Expelled for 'Spying'

LD1303165095 Moscow NTV in Russian 1600 GMT 12 Mar 95

[FBIS Translated Text] Today, two days before the planned take-off of the Russian-American crew, in a ceremony very much resembling the showing of a bride, the spaceship was placed on a launch pad at Baykonur. Now experts will have to determine its readiness for the forthcoming event.

It seems that even the really ambiguous situation Norman Thagard, an American member of the crew, finds himself in will not prevent the launch scheduled for 14 March. According to our information, Ken Cameron, adviser to the first crew, who had been working with him, has just been kicked out of Russia because of spying activities. Many at the space training center believe that Thagard himself is also a spy. Space science still remains one of the few areas where Russia is way ahead of many of its competitors, especially the United States.

In an interview with us, Thagard described U.S. priorities in this area as follows:

[Begin Thagard recording] Our interest lies in the scientific experiments. We want to study the effects of weightlessness on people. Soon there will international stations such as Alpha, but unfortunately we do not yet have extensive expertise in this area, in the area of the effect of weightlessness on people. [end recording]

It seems that the desire to obtain the unique expertise that Russia has is so strong in Americans, that they use plain spying during Russian-American flights.

'Rumors' Cited in Case of Expelled Astronaut

LD1303170395 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 13 Mar 95

[FBIS Translated Text] On Sunday the "Today" program broadcast a sensational report that Ken Cameron, one of the members of the Russian-U.S. space program, had been kicked out of our country on spy charges. However, in Zvezdnyy Gorodok they have different information. Here is our correspondent Yelena Savelyeva:

[Savelyeva] I have managed to find out from informed sources that the alleged spy, Kenneth Cameron, stayed in Zvezdnyy Gorodok for three months taking part in the Mir-Shuttle space program. After he spent his term in Zvezdnyy Gorodok he left our country without any problems. Cameron has now been named as the head of the shuttle crew during the second docking with the Mir station in October this year.

By all accounts, the spy mania was provoked by the long-running rumors circulated in Zvezdnyy of bugging devices having been found in training halls. I think that if Cameron and Norman Thagard, who is being trained to take off in Soyuz TM-21, had been involved in any way in this affair, their astronaut careers would have ended. But since the affair is still just a matter of rumors, it remains unclear whose bugging devices were discovered.

Intelligence Spokesman: 'No Information' on Expulsion

LD1303171195 Moscow ITAR-TASS World Service in Russian 1433 GMT 13 Mar 95

[FBIS Translated Text] Moscow, 13 Mar—"The Federal Counterintelligence Service has not made any representations at all of late to the Ministry of Foreign Affairs regarding the expulsion of foreign citizens." This statement was made to the Crime-TASS correspondent today by Aleksandr Mikhaylov, head of the public relations center of Russia's Federal Counterintelligence Service, in response to a request to comment on the report put out on television on Sunday that a U.S. expert taking part in the training of U.S. astronauts for work on the Russian Mir space station had been expelled for spying. "We have no such information", he emphasized.

More on FCS Official Denying Expulsion

LD1303174095 Moscow ITAR-TASS in English 1643 GMT 13 Mar 95

[FBIS Transcribed Text] Moscow March 13 TASS—Russia's Federal Counterintelligence Service, FSK [FCS], said on Monday it has not expelled any foreign citizens lately.

"The Federal Counterintelligence Service has not sent any requests to the Foreign Ministry lately concerning the expulsion of foreign citizens," FSK spokesman Aleksandr Mikhaylov told CRIME-TASS on Monday.

The statement followed a Russian television report that a member of the U.S. team preparing for a joint space flight with Russia this week has been expelled from Russia for espionage.

"We do not have such information," Mikhaylov said.

Earlier today, the U.S. embassy in Moscow issued a statement saying that the report represented a "misunderstanding of the purpose of our joint space programme."

The report carried on Sunday by the Russian independent television channel, NTV, said that the official had been involved in espionage against Russia.

The embassy said that the report named Ken Cameron, who spent several months last year at the Russian cosmonauts' training centre at Star City outside Moscow, helping prepare the mission.

Later he was named the commander of an American space crew which is scheduled to blast off in October for a rendezvous with the orbiting station Mir. He recently

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came back to Russia for a week as part of the preparations for the mission and then returned to the United States as planned, the embassy said.

"The NTV story represents a misunderstanding of the purpose of our joint space programme, which is being undertaken under detailed agreements reached by the Russian and U.S. Governments," the statement said.

Successful Lift-Off of Joint Russian-U.S. Space Shot

LD1403062995 Moscow ITAR-TASS in English 0623 GMT 14 Mar 95

[By ITAR-TASS correspondent Veronika Romanenkova]

[FBIS Transcribed Text] Leninsk (Baykonur space-launch complex) March 14 TASS—The Soyuz TM-21 spacecraft has been launched off the Baykonur space-launch complex within the framework of the Mir-shuttle joint programme. For the first time ever its crew includes, aside from two Russians (flight commander Vladimir Dezhurov and flight engineer Gennadiy Strekalov), an American astronaut—Norman Tagard. His space mission will be the longest in comparison with space missions of other foreign astronauts: He will spend 95 days at the orbital station.

The untraditional way of landing will be another characteristic feature of the flight. The cosmonauts will be brought back to earth not by the Sojuz TM spacecraft, but by the American Atlantis, which will be docked with the Mir station in June. The Atlantis will carry away from the Mir station Dezhurov, Strekalov and Tagard after bringing their substitutes—Anatoliy Solovyov and Nikolay Budarin.

Kozyrev, Christopher To Discuss Summit Preparations

LD1303172395 Moscow INTERFAX in English 1648 GMT 13 Mar 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Mar 13 (Interfax)—Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher, at a meeting on March 22-23, will mainly discuss preparations for the forthcoming Russian-U.S. summit, Russia's relations with NATO, the situation in "hot spots" and disarmament issues, a senior Russian diplomat said on Monday [13 March].

Special attention will be given at the meeting, to be held in Geneva, to the non-proliferation of nuclear weapons, the diplomat told Interfax.

"In the second half of April there will be a conference in New York to discuss how the Non-Proliferation Treaty (NPT) is being observed and to consider its extension," so Moscow and Washington have to make sure that they share the same position at the conference, he said.

"In Geneva, joint or parallel steps by the Russian Federation and the United States will be considered to exert pressure on those countries which oppose the indefinite extension of the NPT," the diplomat said.

There are more than 10 such countries, he said. "What gives Moscow and Washington especial concern is the position of the Middle East states. Both we and Americans take the line that those countries which wouldn't like the NPT to be extended indefinitely and unconditionally should not be given a chance to try to put through any 'intermediate options,' such as having the treaty extended for 25 years," the diplomat said.

Russia-U.S. Nuclear Export Rivalry Eyed

MK1103102095 Moscow KOMMERSANT-DAILY in Russian 11 Mar 95 p 4

[Report by Aleksandr Koretskiy under the "Trade War on World Nuclear Power Plant Market" rubric: "Struggle for Peaceful Atom: You Cannot Sell Without Cheating"]

[FBIS Translated Text] Russia is not going to give up its nuclear contract with Iran. These intentions were confirmed by the signing of an additional $140-million protocol to the contract the other day: Russia undertakes to perform work Iran planned to carry out on its own, for instance, to reconstruct the foundations of the Bushehr nuclear power plant. The firmness of Moscow's stance may draw yet another emotional outburst from Washington, which threatens to do its utmost to prevent "military nuclear technologies from leaking to a regime that professes terrorism." Up to and including scaling down technical assistance to Russia. What is behind such threats may be not only U.S. concern over the problem of international terrorism, but the desire to gain unchallenged leadership on the rapidly expanding world market for nuclear power plants.

In Anticipation of Profits and Superprofits

Currently there are 11 countries in the world that manufacture equipment for nuclear power plants. The largest ones are Russia and the United States, who jointly control over 70 percent of the world nuclear power market. Till recently, this was a very limited market: Many countries either did not plan to have nuclear power plants built on their territory at all, preferring more traditional methods of power generation, or could not afford them owing to their limited financial capabilities. So till the late 1980's the United States and Russia operated exclusively within the bounds of the regional markets that historically sprang up in conditions of a bipolar world: The United States assisted its NATO allies, Japan, and South Korea in the development of nuclear power industry; the USSR did the same with

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regard to the East European countries. The interests of the two "poles" effectively never crossed. That is, a system came about there that was in principle similar to that of the arms market.

But then drastic geopolitical changes occurred in the world: The socialist camp broke up, the USSR disappeared from the map. Simultaneously—in the early 1990's—certain countries that had never even dreamed of having their own nuclear power industry achieved a level of development where further industrial growth was hampered by their limited reserves of traditional energy sources. In the face of a power crisis, such countries as China, India, Turkey, and the Pacific Rim countries scrambled to draw up national programs for the development of domestic nuclear power industries and entered the world market for nuclear power plant equipment as customers. Customers fully capable of paying or ready to take loans to build nuclear power plants.

By the estimates of Russian Atomic Energy Ministry experts, the world nuclear power plant market will at least double in size by the year 2005 (as of today nearly 140 nuclear power plants have been built in countries that lack their own reactor manufacturing capacities). China alone plans to build at least 20 high-capacity nuclear power plants. Currently, the cost of building a plant with two power units of 1,000 megawatts each ranges on the world market from $1.5 billion to 2.5 billion. That is to say, up to $50 billion can be earned on the Chinese nuclear power plant market alone. The market for medium and low-capacity nuclear power plants is even more promising. Countries with complex natural landscapes or archipelago states are increasingly often contemplating purchasing such plants.

At this stage only Russia and the United States have reliable technologies and the experience of building nuclear power plants of any capacity. They alone have come close to the construction of floating nuclear power plants that, by expert estimates, will account for at least 20 percent of the world nuclear power market in the next century (in Russia, for instance, the "Yelena" nuclear power plant has been designed capable of operating 20 years without recharging and virtually without servicing). Those who have achieved leading positions on this market now will get a powerful source of earnings in the future, to say nothing of certain political influence in the customer countries, because the trade in nuclear power plants remains a politicized business sector. For this reason, the trade war on the nuclear power plant market which the United States unleashed against Russia in late 1994 is unprecedented in terms of either the fierceness of the struggle (up to and including the threat of deterioration in bilateral political relations) or the value of victory: The victor will gain potential access to immense money that cannot be earned even in the arms trade, which is the most profitable business today.

Moscow-Pyongyang: We'd Be Together If Only We Had Money

The first salvos of the war resounded when a consortium to reequip the DPRK nuclear power industry with light-water reactors (which make it impossible to produce weapons-grade plutonium) was being set up. Either out of naivety or for some other reason Moscow expected that the spirit of Russian-American partnership had not vanished yet and that it would have a guaranteed seat on the consortium. But everything turned out to be insultingly trite: If South Korea and Japan put up money to reequip the DPRK's nuclear power industry, reactors will be supplied to Pyongyang either by Seoul or by Westinghouse, a well-known U.S. firm (South Korean reactors differ from Westinghouse-made ones just as the Russian T-80 tank differs from the Ukrainian T-84, that is, not at all).

Russia tried to push its way through, bypassing the consortium, and offered its services to Pyongyang directly. The DPRK would have gladly accepted the offer, if it had money for a nuclear restructuring so independent of Seoul and Washington. But precisely this commodity is lacking. KOMMERSANT-DAILY has learned, however, that Moscow has not yet given up hope of supplying Pyongyang with Russian reactors. But if the hope is to be translated into reality a decision should be made in principle on giving a very substantial loan to the DPRK. Atomic Energy Ministry experts have no doubts as to Pyongyang's readiness to cooperate with Russia on commercial terms—people in the DPRK are wary of the equipment of "adversaries" and are ready even to pay to purchase an "ideologically cleaner" version.

The "Korean haggling" is going on, but the U.S. Department of State has already demanded in a ultimatum fashion that Moscow renounce supplying of VVER-type light-water reactors to Iran. Moreover, Washington even ventured to gamble it all, accusing Russia of planning to supply reactors—specifically VVER-440 and VVER-1000—that can allegedly produce weapons-grade fissionable materials.

It took Moscow four years to sign this contract with Iran. This was the Atomic Energy Ministry's first contract after the collapse of the USSR for the construction of a nuclear power plant abroad. At the same time, Moscow has long studied Tehran's nuclear capabilities so as to comply with the letter and spirit of all existing international agreements on the transfer of nuclear technologies. The definitive decision was made only after the Russian special services gave unequivocal opinions that there is not even a trace of a military nuclear program in Iran. But even if such a program existed, the VVER reactors would not have made it possible to manufacture even a single gram of weapons-grade plutonium—the content of plutonium-239 in the light-water reactor's spent fuel does not exceed 56.5 percent. In order to build a bomb, however, the plutonium-239 content must be at

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least 93.5 percent (or, better yet, 97 percent). This enrichment can be achieved only in specialized reactors which are possessed only by nuclear powers. There are, of course, purely theoretical possibilities that fuel spent in light-water reactors could be brought up to weapons grade. But even an attempt to do so, Atomic Energy Ministry experts think, would require the construction of at least two mining-chemical combines similar to those of Krasnoyarsk- 26. This, in turn, would require funds that even industrially developed countries do not have. Moreover, this activity simply cannot be hidden from satellites. Theoretically, a high-ranking Atomic Energy Ministry official said, weapons-grade materials could well be extracted even out of 1,000 granite Lenin monuments—given the will to design the requisite technology. But there is an unbridgeable financial gap between "designing" and "making."

Given that, talk about the danger of supplying VVER-type reactors to third-world countries does not hold water—in terms of their technological capacities, the depth of combustion, and many other parameters they show absolutely no differences from the reactors the United States plans to set up in the DPRK. But Warren Christopher prefers to keep silent about that—he has a completely different objective that can be achieved only by skillfully juggling figures and facts. At the same time, the psychological factor is being employed, as are outside observers with reminiscences about Chernobyl. Even if the Atomic Energy Ministry has already become tired of repeating that Chernobyl's RBMK-type reactor has never been supplied even to former "socialist camp" partners. First of all, because of its military uses (RBMK reactors came into being following a slight modernization of the channel-type reactors designed for the production of weapons-grade materials). As for the VVER-type reactors, they have repeatedly been inspected by the IAEA [International Atomic Energy Agency] and deemed to be among the world's best—power units supplied to Finland have regularly been mentioned among the four most reliable reactors.

There Are Exceptions to Every Rule

By concluding an extra agreement in connection with the contract with Iran, Russia has reaffirmed its wish to comply with it. The extra $140 million will be paid by Iran for changing the configuration of the foundations and redesigning the turbine room and individual substation components—the amount of work it initially planned to carry out on its own. Main operations will begin in Bushehr next year. Even now, however, there are about 200 Atomic Energy Ministry specialists in Iran, charged with "fitting in" Russian reactors with the plant foundations built by German firms.

But the Atomic Energy Ministry's resumed foreign operations will not stop with the Iranian contract, ministry experts think. An agreement has already been reached with China on building two VVER- 1000 power units of 1,000 megawatts each in Liaoning province. Under the contract Russia will give China a loan of $2.5 billion at an interest rate of 4 percent per year, for which the nuclear power plant will be fully designed, equipment delivered, and recommendations given on purchasing individual components in third countries (primarily ventilation equipment). There is also a tentative agreement on the construction of another two Russian nuclear power plants in China. But it will probably not be translated into specific contracts till the next century. Unless, of course, the United States steps in—together with France, it has been taking active efforts in recent months to penetrate the Chinese nuclear power plant market. Paris has even managed to get a contract to build two French power units. Talks are under way to build Russian nuclear power plants in India and Turkey. But Delhi does not have the money to buy the requisite equipment, while talks on a loan are not yet over. In the middle of last year Turkey agreed to the Atomic Energy Ministry's participation in a tender for the construction of two nuclear power plants, sites for which had already been chosen near Sinop and 100 km from Antalya. Egypt has also shown an interest in Russian nuclear power plants, but has so far limited itself to "sounding out," Atomic Energy Ministry specialists say. There is also a possibility that a plant could be built in Pakistan. But the Russian Foreign Ministry is categorically opposed to the Atomic Energy Ministry's handing over its feasibility study on the nuclear power plant project to the Pakistani Nuclear Corporation. Unlike Iran, Pakistan is not a signatory to the Nuclear Nonproliferation Treaty and has its own military nuclear program. Being fully aware of that, the United States said nonetheless early last year that it would not prevent U.S. private capital from participating in the construction of nuclear power plants in Pakistan. The same was stated by a French deputy prime minister some time later. He made it clear, however, that Pakistan may develop a peaceful nuclear power industry only if nuclear power plants in this country are built by the French or, at worst, by others, but according to French designs (which is, in principle, the same thing). China, for its part, turning a deaf ear to all the rest, is already building a small nuclear power plant from foreign-made components there.

U.S. Attempting To Block Aircraft Engines Deal

MM1303150495 Moscow IZVESTIYA in Russian 11 Mar 95 p 2

[Article by Mikhail Berger: "Are U.S. Officials Declaring War on Investment in Russian Economy?"]

[FBIS Translated Text] A major investment project in Russia involving the U.S. aircraft industry is in danger of collapse. The supply of Pratt & Whitney engines for the Il-96M airplane (the value of the U.S. participation is $1 billion) may not go ahead, since an influential official has attempted to block the deal.

Vladimir Polevanov, the scandalous former head of the State Committee for the Management of State Property,

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"got a warm welcome" from Mickey Kantor, an influential official at the U.S. Department of Commerce. As is well known, Polevanov claimed that the real reasons for foreign participation in the Russian economy are to destroy strategic sectors of industry and turn Russia into a raw-materials appendage of the West.

This thesis, which shocked existing and potential Western investors, was seemingly confirmed in a letter sent recently by Kantor to U.S. Secretary of Commerce Ron Brown. This letter was reported last Monday [6 March] by the JOURNAL OF COMMERCE (THE WALL STREET JOURNAL reported the conflict the same day, incidentally). The essence of the letter was that implementation of the contract to supply engines to the "Ilyushin" Aircraft Company could lead to the creation in Russia of a subsidized competitor capable of depriving U.S. companies of their market share.

The fact is that the U.S. engine deliveries are meant to be funded by the U.S. Export-Import Bank. Mickey Kantor and Ron Brown are ex-officio members of the Eximbank Board, and their stance, the JOURNAL OF COMMERCE states, could lead to the cancellation of loan guarantees.

But there is another opinion—namely, that the attempt to block the loan is a result of strategic plans by the Boeing and McDonnell Douglas companies not to give Russian companies a potential market for their airliners. As THE WALL STREET JOURNAL wrote in this regard, the Il-96M equipped with Pratt & Whitney engines and Collins avionics is Russia's latest and most serious attempt to enter the world aircraft market. The new aircraft would cost $68-75 million, which is 25-50 percent cheaper than similar Boeing or McDonnell Douglas aircraft.

But if the aforesaid U.S. aircraft companies are worried about possible competition from Russia and are attempting to get the examination of the plan by the U.S. Eximbank stopped, Pratt & Whitney and other U.S. suppliers of parts for the Il-96M have directly opposed interests. According to THE WALL STREET JOURNAL's information, parts suppliers could earn up to $260 million a year under the project, thereby creating 2,500 jobs.

As for the Russian side, the Il-96M is a priority project for the government and one of the most graphic and large-scale examples of mutually advantageous cooperation between Russia and the United States. A negative decision from the Eximbank, if one were forthcoming, would be a definite signal to other U.S. companies with interests in Russia. Such a decision could have even more serious consequences—the complication of bilateral economic relations or, for instance, the raising of import tariffs by the Russian Government.

In any event the efforts to block the deal will provide considerable ammunition for those with anti-Western sentiments in Russia, and for the opponents of foreign investment.

Moscow Not To Initiate Reconsideration of Arms Treaty

LD1303171695 Moscow INTERFAX in English 1617 GMT 13 Mar 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Mar 13 (Interfax)—Russia does not intend to initiate reconsideration or frustration of the Treaty on Conventional Arms in Europe. However, if our interests and concerns are not taken into account Moscow could review its position, a high-ranking official of the Russian Foreign Ministry Department on Disarmament and Control over Military Technology told Interfax today.

He said Russia was in favor of adapting the Treaty to the present situation. "The document was concluded during the existence of the ex-USSR and two blocs: NATO and the Warsaw Pact," the diplomat added.

He said Moscow was not satisfied with the flank restrictions fixed by the Treaty. In accordance with the Treaty, Russia is allowed to have after 1995 total of 700 tanks, 580 armored vehicles and 1280 artillery launchers with a calibre of more than 100 millimeters in the Leningrad and North Caucasian military districts which account for about a half of the Russian European part and are now situated on the Russian borders.

"We could accept the flank restrictions provided by the Treaty for the Leningrad military district while analogous restrictions on the North Caucasian military district are unacceptable for us," the diplomat said.

He said he regretted that Russia's partners in the treaty were still reacting negatively to all Russian arguments.

The diplomat agreed that the present stalemate situation could not last forever. He said time was still left before the beginning of the conference on the results of the Treaty's implementation planned for the next year. He said Russia was going to use the time to resolve the existing problems and reach a complete agreement on the issue. The diplomat added, that, however, success depended not only on Russia.

'Thorough' Discussion of NATO Ties Needed

MM1303115795 Moscow KRASNAYA ZVEZDA in Russian 11 Mar 95 p 2

[Article by Aleksandr Golts: "A New Europe Cannot Be Built Without Russia"]

[FBIS Translated Text] This week's visit to Moscow by the FRG, French, and Spanish foreign ministers, whose countries now represent the so-called "leading trio" in the EU, was without exaggeration a turning point. It was officially stated that the ministers came in order to "confirm the EU's interest in establishing long-term

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partnership relations with Russia," that "Russia should occupy a fitting place in line with its size and importance in the future security architecture in Europe" (these words are from the statement made by the head of the FRG Foreign Ministry). But the main task nonetheless lies elsewhere. Namely to "explain" to Moscow the EU's recent decision to postpone indefinitely the signing of an interim agreement on trade and partnership with Russia. The reason being Chechnya. According to the FRG foreign minister, Russia now has to prove its readiness to find a political solution to this conflict and to respect human rights.

It cannot be denied that the Chechen conflict, which is viewed in a variety of ways by public opinion in our country too, may have aroused panic and incomprehension among the West European states. But it is hardly sensible now to present Moscow with some kind of ultimatum. Especially since it is well known how difficult it was to formulate this agreement. This agreement was to have at least partially opened up the European market to Russian goods. It is well known that many people in West Europe agreed to it with obvious reluctance: After all, by its very presence on the market, Russia might have upset the existing balance which suited everyone. However, the postponement of the agreement casts into question the implementation of many projects that might help to extricate us from economic crisis. So I do not think that the three ministers succeeded in explaining a position which is clearly at variance with the West's avowed strategy toward our country of providing all- around aid for Russian reforms.

On the whole one cannot help but notice that over the last few months this policy has been so inconsistent as to constantly need additional clarification. This can be seen particularly clearly in the case of the plans to expand NATO. A few days ago these plans were reaffirmed during the talks between U.S. President Clinton and NATO Secretary General Willy Claes.

According to a high-ranking administration spokesman, the general position is that granting the countries of Central and East Europe membership of the alliance is "inevitable."

At the same time the Western allies intend to continue to "try to persuade" Moscow that the former Warsaw Pact members' accession to the bloc poses no threat to it. According to informed sources, Bill Clinton is preparing to send Russian President Boris Yeltsin a personal message within the next few days assuring him of the unwarranted nature of the fears regarding the creation of a "cordon sanitaire" near Russia's borders.

Although the letter, rumors of which have been circulating for weeks now, has not yet been sent, its main contents are hardly a secret. Its arguments have already been given a dry run on several occasions in statements by administration officials. And they are not the only ones. There have been several interesting scientific conferences and seminars in Moscow of late dealing with the problems of European security (let me cite the Moscow State Institute of International Relations seminar and that of the French Institute of International Relations, along with the joint conference organized by the Ebert Foundation and the Russian Academy of Military Sciences). Here during debates Western representatives in principle voiced similar, if not common approaches.

To sum up the explanations that the Russia public is now receiving, they boil down to the following. First, NATO will not be expanded today. This year will be devoted to consultations as to how the possible candidates could be integrated within the bloc's systems. So there still seems to be time. Second, and this is the main point, NATO no longer regards Russia as an enemy. Consequently, there is nothing to fear.

What is noticeable is that NATO's approaches and the speed of their implementation can change dramatically. After all, the idea of "Partnership for Peace" was mooted just over a year ago, an idea which, it seemed, should have satisfied the interests of everyone striving to create a European security system. However, a decision to expand the bloc itself was adopted in December. Moscow's position was ignored. So, there is no guarantee that the expansion of the North Atlantic bloc will not suddenly be speeded up.

As for the essence of NATO, I am willing to be trusting. After I have been told why no one during the debates asked the following question: Is there a threat to the security of East Europe today that could be removed via the expansion of the alliance? After all people in these countries speak—sometimes in veiled terms and sometimes outright—of a threat from Russia should Moscow return to totalitarianism. Well, one should not rule out any, even the most unlikely, scenarios when planning one's own defense. But was the CFE Treaty not concluded to rule out forever the very possibility of any country or group of countries preparing to implement plans for aggression on the continent? None of the NATO military or experts with whom I spoke said that anyone seriously considers a direct military threat realistic. Why then are NATO members so willing to give in to the countries of East Europe?

As for other quite realistic threats—local ethnic conflicts, environmental disasters, mass migration of refugees—NATO itself must change radically in order to be able to counter these threats. At the moment you get the impression that for the "old" Atlanticists the bloc's expansion represents an opportunity not to change its substance. But let us be frank: NATO's appearance by Russia's borders is bound to generate fears of the worst in Moscow.

That is why Russian diplomacy should not now confine itself to statements that the "gradual expansion of NATO does not suit Russia." It is time to begin a quite thorough discussion as to the substance of Russian-NATO partnership relations. Western diplomats often hint at the possibility of concluding a special agreement

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on this score. That kind of agreement could indeed ease Russia's fears. But this means that it is time to move on from hints to the formulation of this agreement. An agreement which, in addition to spheres of partnership and cooperation with NATO, should also contain new military confidence-building measures. For instance, guarantees that nuclear weapons and additional troop contingents will not be stationed near Russia's borders. Guarantees that the content of the bloc's purely military measures and troop training will not give cause to suspect that Russia is once again regarded as an enemy.

It is precisely this kind of agreement, together with an economic agreement with the EU, that must be the foundation of the European security structure. Moreover, the West should be just as interested in the strength of this foundation as Russia. Right now we are only being told that a new Europe is impossible without Russia. But it seems that our Western partners should believe in the truth of their own declarations in order for the words to become deeds.

EU Ministers Link Chechnya Settlement to Aid

MM1303155795 Moscow ROSSIYSKAYA GAZETA in Russian 11 Mar 95 First Edition p 6

[Article by Vladimir Kuznechevskiy: "European Landing in Moscow"]

[FBIS Translated Text] The three representatives of EU countries (the French, German, and Spanish foreign ministers) who arrived in Moscow headed by Alain Juppe, chief of the French foreign policy department who is currently exercising the EU presidency, to all intents and purposes presented an ultimatum in their talks with Boris Yeltsin and Andrey Kozyrev Thursday [9 March]: A political settlement of the Chechen crisis in exchange for a preliminary agreement for a treaty on partnership with the EU.

In this way Chechnya proved to be more or less the main topic at the talks.

After the talks on Thursday, A. Juppe said that the EU is more determined than ever to assist the economic and democratic reforms in Russia. Some 80 percent of all aid to Russia comes from the EU, he emphasized. Aid comes from many quarters: The IMF provides credit of $6.25 million for this purpose, and the G-7 countries, GATT, and the Council of Europe all want to assist Russia. But, the EU president said, we have been forced to inform President Yeltsin and Minister Kozyrev that the Chechen crisis conflicts with relations on a basis of partnership between the EU and Russia.

Russia, German Foreign minister K. Kinkel added, should demonstrate its readiness to look for a political solution to the Chechen conflict and observe human rights.

This sounds both harsh and categorical. But there is more to it than just that. The EU delegation informally hinted that the determination of the leaders of the 15 EU member countries to raise the question of methods of resolving the Chechen crisis time and time again had been caused by the categorical condemnation by the public in those countries of the methods used by the Russian military command in Chechnya. This sounds like an apology. But it is understandable.

The powerful anti-Yeltsin campaign over the crisis in Chechnya, mounted the Moscow democratic mass media—in particular television and newspapers—with the assistance of parliamentary deputies and human rights activists, actually began with manipulation of Western public opinion by foreign radio stations and Western television correspondents, and was then given even greater momentum with the departure of Sergey Kovalev for Europe.

Public opinion in Western countries has to all intents and purposes received one-sided information, but there simply was no other available to it. The statement by Istvan Gyarmati, spokesman of the Organization on Security and Cooperation in Europe [OSCE], that Dudayev's gunmen are not only violating human rights but are doing so with great brutality received much less exposure in Europe than that by S. Kovalev.

Here is a typical letter from a female resident of Groznyy (her name is known to the editorial office), one of many which our newspaper receives and which we publish under the rubric "For the Information of Human Rights Campaigners": "We are praying here for the Russian soldiers. Constantly under fire and risking death from minute to minute, they take shelter in streets and hastily dug trenches, putting up with the damp, cold, and mud. Not once have they entered our apartments without asking."

On Thursday the three EU envoys and President Yeltsin agreed that an office [mandat] of the OSCE Permanent Mission would open in Groznyy in the near future. Judging by the precedent set by Istvan Gyarmati, this mission will very soon see who really is violating human rights on a mass scale in Chechnya (Gyarmati needed three days for this). Then we might hope that our West European partners will stop linking trade with politics.

Chernomyrdin's Remarks at World Summit in Copenhagen

LD1203104795 Moscow ITAR-TASS in English 0923 GMT 12 Mar 95

[By unidentified ITAR-TASS special correspondent]

[FBIS Transcribed Text] Copenhagen March 12 TASS—Russian Prime Minister Viktor Chernomyrdin addressed those present at the world summit on social development on Saturday.

"Our meeting is taking place in the year of the 50th anniversary of the end of the Second World War and the

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50th anniversary of the founding of the United Nations organisation," Chernomyrdin said.

"The world body has been in existence for half a century, striving to realise new humanistic world order principles that had arisen from the experience gained by mankind as a result of living through the ordeals and tragedy of the most sanguinary and destructive of wars ever fought throughout its history.

"One of the main lessons is that the contemporary world with its global interdependence leaves less and less allowance for making errors in the choice of a development strategy. One can avoid such errors only by considering the world development problems from common positions, proceeding from the main principle of humanism: 'The human being is the measure of all things'.

"Herein is precisely the uniqueness of our meeting which, like the historic San Francisco conference, can set out basic orientations for a fair and steady social development of mankind at the turn of the century, on the threshold of the third millennium. The problems of poverty, employment, and social integration are so acute and global in scope that they demand the attention and joint efforts of the entire international community.

"Russia, upon having launched racical political and economic reforms which affect the destiny of millions of people, has encountered the truth that the social price of reforms, at times, turns out to be quite high.

"Notwithstanding considerable difficulties, Russia continues to devote paramount importance to the solution of social matters. Nowadays this is the main demand being placed upon the government's economic policy, the demand which is backed up by the principled stand of the president of the Russian Federation.

"First-priority tasks at the initial stage of our reforms, are to prevent mass unemployment, support the socially vulnerable groups of the population, including migrants and refugees, and help them adapt themselves to labour market conditions, and to overcome unfavourable trends in demographic processes.

"It must be emphasised that Russia does its best to cope with all its domestic difficulties itself. The first signs of an economic recovery and stabilisation have begun to emerge.

"The task of structural reforms is coming to the fore. An intensive process of privatisation is underway, and a market- determined economy assumes increasingly visible outlines in Russia.

"Depending on the success of democratic reforms in countries which have taken the road of political, economic and social reforms is not only their future but also the character of the entire world community in the 21st century.

"I am confident therefore that the world community's more vigirous actions in support of Russia and all other countries with transitional economies could really expedite the global processes of democratic reforms.

"One cannot fail to note in this connection that the attention of the U.N. to the problems of countries with transitional economies and to their full integration into the world economy accords with the realities of our times.

"Attaching immense importance to this forum and duly appreciating its unprecedentedly widely representative character, the Russian delegation would like to make a specific contribution to the implementation of a declaration and an action programme which are to be adopted in Copenhagen. Russia expresses its readiness to become a reliable partner to all countries, primarily developing ones, in the training of specialists in fundamental, natural and technical sciences.

"We also offer cooperation to all countries in the expansion and deepening of the processes of defence industry conversion to civilian production, space research, and the tackling of energy problems in the 21st century. Russia is prepared generously to share its achievements in culture and arts.

"In full conformity with the summit's declaration, Russian Government programmes will invariably proceed, first of all, from the interests of the individual. This is our solemn pledge before this supreme international forum.

"We express confidence that the enactment of the provisions of the declaration and the action programme tasks will provide the world community with a unique possibility to enter the 21st century with qualitatively new approaches to the solution of the global problem of ensuring the social rights of the individual throughout the world," the Russian prime minister said.

Lobov Comments on Talks With Slovak Premier in Bratislava

LD1303212795 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] BRATISLAVA, Mar 13 (Interfax)—Slovakia's defense industry, currently in crisis, is likely to obtain a number of Russian military orders, Russian Security Council Secretary Oleg Lobov told an Interfax special correspondent in Bratislava Monday.

After a meeting with Slovak Prime Minister Vladimir Meciar, Lobov said the two sides agreed to jointly introduce a number of technological innovations to market their products in third-world countries. Orders for manufacture of science-intensive products are likely to be granted to Slovak enterprises which Lobov plans to visit.

In particular, Russia and Slovakia plan to jointly manufacture new-generation plane engines. Moscow also

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intends to participate in reconstruction of Slovakia's electro-technical industry and more widely use its territory "to market Russian raw materials in the Western Europe," Lobov remarked.

Commenting on the results of Viktor Chernomyrdin's February visit to Slovakia, Lobov said he will continue a series of meetings with Slovak businessmen and state leaders launched last month.

Moscow Welcomes Zagreb's Commitment To Review Decision

LD1303171895 Moscow INTERFAX in English 1617 GMT 13 Mar 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Mar 13 (Interfax)—Moscow welcomes the commitment of Zagreb to review its decision not to extend the mandate of the UN Protection Forces in Croatia, a high- ranking official of the Russian Embassy to Croatia told Interfax today.

Croatian President Franjo Tudjman and U.S. president Albert Gore [name and title as received] agreed on the necessity for keeping the international forces in Croatia in Copenhagen on Sunday [12 Mar]. "They decided that the agreement would be legalized by the UN Security Council adopting a special resolution and the UN and Croatia signing a corresponding agreement," the Russian diplomat said.

He said this agreement did not contradict the previous plans and resolutions of the UN Security Council.

The diplomat said the number of the UN blue helmets in Croatia would be nearly halved. "These will be the UN forces but they will no longer be called peacekeeping. Their task will be reduced to control over the borders between Croatia and the United Republic of Yugoslavia, Bosnia-Herzegovina," he said.

The diplomat said the UN Protection Forces had been expected to deal with many tasks, including return of refugees and establishment of local administrations. He said the present situation had revealed that the UN forces were incapable of treating so many problems. He said the UN forces would be freed from some tasks they could not carry out.

The Russian diplomat stressed that the operation would still be led by the UN and not by NATO "or any other forces."

The diplomat failed to say whose forces would leave Croatia and from where they would be withdrawn. He said it would be made clear later.

The Russian diplomat said there was only a 90-percent guarantee that the Gore-Tudjman agreement would be carried out. He said the 10 percent of uncertainty were due to Krajna Serbs who had not yet decided on possible reduction of the international forces' number on their territory.

Ostankino 'Mistaken;' Yeltsin Visit Not To Be Delayed

AU1503105295 Kiev HOLOS UKRAYINY in Ukrainian 11 Mar 95 p 2

[Unattributed report: "The Statement Was Made by 'Ostankino.' Maybe It Was a Mistake"]

[FBIS Translated Text] A few days ago, the viewers of "Ostankino" were surprised to hear from the director of the "Vremya" program that the visit by Russian Federation President Boris Yeltsin to Ukraine for signing the long-term Agreement on Friendship and Cooperation would be delayed until the issue of dual citizenship is coordinated. A HOLOS UKRAYINY correspondent asked Vladislav Nechiporenko, Russia's temporary charge d'affaires in Ukraine, to comment on the information.

"In all likelihood, 'Ostankino' was mistaken. As far as the embassy is concerned, neither the president nor his entourage made any official statements to that effect. The negotiating process on preparing the agreement is in its final stage, and the Russian Embassy in Ukraine expects President Yeltsin to arrive in Kiev at the end of March.

Deputy Minister Views Progress in Talks With Ukraine

MM1303164495 Moscow RABOCHAYA TRIBUNA in Russian 11 Mar 95 pp 1, 2

[Interview with Yuriy Dubinin, Russian deputy minister of foreign affairs, by Vasiliy Ustyuzhanin; place and date not given: "At First We Threw Pots at Each Other. Now We Are Picking Up the Pieces and Sticking Them Together "]

[FBIS Translated Text] [Ustyuzhanin] Yuriy Vladimirovich, a leading Russian politician declared recently that little had changed in Russian-Ukrainian relations since the progressive Kuchma acceded to power, did he not? Would you be prepared to subscribe to this opinion?

[Dubinin] I have always been opposed to unequivocal assessments. Particularly in diplomacy. It is not hard for someone who follows closely the course of our talks with Ukraine to notice that the wind rose has changed for the better. Toward a rise in temperature. The very tone of the talks has changed. This change is probably even more important than some accords that have been concluded. Although substantial progress is also being made in the sphere of specific decisions. It is simply that the public is poorly informed about them.

[Ustyuzhanin] Please inform me.

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[Dubinin] Take the disputes over nuclear weapons. It was not a Russian-Ukrainian problem. It was of global significance. But the failure to resolve it burdened our relations as well. The metastases went too far. There was the question of nuclear disarmament. For, as is known, the START I Treaty and the Lisbon Protocol envisaged that all nuclear arms on Ukrainian territory must be eliminated. But certain political forces in Ukraine prevented the implementation of that decision. Just as they prevented Ukraine's accession to the Treaty on the Nonproliferation of Nuclear Weapons as a state not in possession of such weapons.

Just a few weeks ago this problem was finally resolved. Ukraine handed in its act of accession to the Nuclear Nonproliferation Treaty. This was a great success for the Russian-Ukrainian talks. It is of positive significance for the whole international community.

[Ustyuzhanin] But what continues to weigh things down?

[Dubinin] Ukraine has signed, at last, the treaty on the debts and assets of the former USSR—the last state among the former republics of the USSR to do so. This is a plus. But it has not yet ratified it. This is a minus. On a broader plane I wish to emphasize that the positive trend will become really stable and irreversible when the adopted decisions have been implemented. For the Ukrainian state debt to Russia stands at almost $3 billion. More precisely—$2.793 billion, not counting interest and defaulted payments. In addition, there are defaulted payments of approximately $1.5 billion to "Gazprom." These are debts specifically to Russian people, who must pay wages, build housing, and so on. Talks are now being conducted on how to resolve this problem. Our relations are also burdened by the failure to resolve the question of the Black Sea Fleet.

[Ustyuzhanin] But Vice Premier Soskovets went to Kiev recently. This question is said to have been resolved in principle. Particularly with regard to Sevastopol as the Black Sea Fleet's base.

[Dubinin] I shall refrain from making any comment. But I can state clearly that the problem of the Black Sea Fleet remains unsettled.

[Ustyuzhanin] But if we measure things on a pair of scales—do the positive trends still gain the upper hand?

[Dubinin] I shall make a different comparison. Previously we used to throw stones and break pots, but now we are picking up the pieces and endeavoring to stick them together. In particular, work on the preparation of a general political treaty on friendship, cooperation, and partnership is being completed.

[Ustyuzhanin] Do you associate the change in the wind rose with cadre changes on Ukraine's political Mount Olympus?

[Dubinin] This has its own significance. Note the words recently spoken in public by former Ukrainian President Leonid Kravchuk to the effect that it is necessary to oppose those forces in Ukraine which want to strengthen Russian-Ukrainian ties. This now sounds anachronistic.

Russian, Georgian Security Services Agree To Cooperate

LD1303205795 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 13 (Interfax)—Russian Federal Counterintelligence Service Director Sergey Stepashin and head of the Georgian Security Service Igor Giorgadze signed a cooperation agreement in Moscow Monday.

Giorgadze told Interfax that "security services abide by an unwritten code and work for the good of their countries rather than against a third country."

He said that the agreement was aimed at fighting organized crime and terrorism. It provides for setting up a joint data bank on criminal gangs and structures and for cooperation in searching out criminals.

Giorgadze added that the agreement set into place a legal framework for fighting organized crime, which does not know boundaries or nationalities, vigorously and effectively.

Moscow Opposes Additional Sanctions Against Iraq

LD1403093495 Moscow ITAR-TASS in English 0839 GMT 14 Mar 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations March 2 TASS [dateline as received]—Russia believes that the question of lifting the oil embargo on Iraq can be raised after Baghdad fulfills disarmament demands and the putting of other preliminary conditions contradicts the letter and spirit of U.N. Security Council resolutions, Russian Chief Delegate to the U.N. Sergey Lavrov said in an interview with ITAR-TASS here on Monday [13 March].

The interview was given after another Security Council meeting behind closed doors discussed the regime of sanctions against Iraq.

"Some delegations, including the United States, showed an evident desire to interpret broadly Security Council resolutions and condition any moves to soften sanctions by implementation of all Security Council demands as well as those demands which were not mentioned in the council's resolutions and which were used to impose sanctions.

"This approach contradicts both the spirit and the letter of Security Council resolutions which flatly state that 'the oil embargo' on Iraq depends only on disarmament demands of the Security Council," the Russian ambassador said.

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He stressed: "The implementation of disarmament demands, as Chairman of the U.N. ad hoc Iraq disarmament commission Rolf Ekeus repeatedly reported, is virtually close to completion.

"The only major issue which is not clear up to the end, is the so-called biological part of the disarmament file, according to which great quantities of biomass or the so-called nutrient medium which, according to the commission, was delivered to Iraq, was not uncovered for the time being.

"However, we have information that Iraq cooperates with the commission in this issue and there are grounds to believe that it will be resolved in the near future.

"No demands, apart from disarmament requirements, can be used as a reason for barring the lifting of 'the oil embargo' at a time when 'the disarmament file' is closed."

Moscow Lost Over $30 Billion Due to Iraq Sanctions

LD1303200495 Moscow ITAR-TASS in English 1834 GMT 13 Mar 95

[By ITAR-TASS diplomatic correspondent Sergey Babkin]

[FBIS Transcribed Text] Moscow March 13 TASS—Russia has lost over 30 billion U.S. dollars as a result of anti-Iraqi sanctions imposed four years ago, Iraqi Ambassador to Russia Hasan Fahmi Juma'ah told ITAR-TASS on Monday.

Speaking about the U.N. Security Council members' position on a possible easing of sanctions, the ambassador said that Iraq's stance and its cooperation in fulfilling U.N. Security Council resolutions have met understanding and support of the majority of countries, primarily China, France and Russia.

However, the United States and Britain are still seeking to achieve their goals by continuing the economic blockade imposed against Iraq in violation of international law and U.N. principles, which prohibit genocide of peoples, he said.

At the same time, Hasan Fahmi Juma'ah noted that Iraq's relations with Russia have a great future. He stressed that his country is very interested in resuming multifaceted cooperation with Russia as the legal successor to the Soviet Union.

Concrete steps have been taken in this direction lately, he added.

In particular, the Joint Commission for Economic Cooperation between Iraq and the Russian Federation held a session in Moscow last September. One of its most noticeable results was the signing of a protocol of cooperation between the two countries.

A programme of joint projects agreed by Moscow and Baghdad is valued at 10 billion U.S. dollars. However, it can be implemented only if sanctions are lifted, the ambassador said.

However, Anatoliy Yegorin, deputy director of the Institute of Oriental Studies of the Russian Academy of Sciences, believes that the damage is much more serious and may reach 40-45 billion U.S. dollars.

He said that while estimating it, it is necessary to take into account—apart from Iraq's debt to Russia, the cost of unfulfilled contracts in the economic and defence sphere and potential orders—the funds Russia could have received if it had sent military experts to Iraq and invested in profitable industries there.

"Apart from the means which Russia could theoretically receive through credits, which will have to be paid back, this money is real. But we could get it only after the sanctions are lifted," he said.

'Agreement in Principle' Reached To Build Planes in Iran

LD1303145895 Moscow ITAR-TASS in English 1337 GMT 13 Mar 95

[By ITAR-TASS correspondent Oleg Kuzmin]

[FBIS Transcribed Text] Tehran March 13 TASS—Iran and Russia have reached "an agreement in principle" on the manufacture of the Il-114 aircraft in Iran, President of the Russian Union of Industrialists and Entrepreneurs Arkadiy Volskiy told ITAR-TASS upon completing a three-day visit to Iran.

Under the preliminary accord, seventy aircraft will be assembled from Russian parts, components and engines at an Iranian plant, Volskiy said. As a result, such airliners as the Il-114, as well as the Yak-40 and the Yak-42, which Iran intends to buy from Russia, will carry up to eighty per cent of all air traffic in Iran, Volskiy said.

The decision on cooperation with Russia in the field of aviation and on the construction of an aircraft-assembling facility was made at the highest level in Tehran, Volskiy stressed.

"We signed an agreement on this with the Iranian-Russian Chamber of Commerce and Industry. Under that agreement, the countries will extend most favoured nation treatment to each other", he said.

In Tehran, Volskiy held intensive negotiations with the leaders of a number of economic ministries and held talks with Deputy Foreign Minister Mahmud Va'ezi.

The negotiations focused on such problems as Iran's debt to Russia and the development of the Caspian shelf.

"The Iranian side is concerned about the fulfilment of the contract for the building of a nuclear power station in Bushehr. Iran does not want any pressure from the

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United States to affect the earlier-made decision, and the Russian Ministry for the Atomic Energy has been consistently implementing all provisions of the contract," Volskiy said.

He noted that the apprehensions expressed by the U.S. State Department and some American senators concerning the Bushehr reactor were without ground: The United States and South Korea were planning to supply an analogous reactor to North Korea. "Why allow them and not allow us to do this?", Volskiy asked.

"Our specialists offer firm guarantees that the Bushehr reactor cannot be used to produce nuclear weapons," he stressed.

According to Volskiy, Moscow is displeased with Tehran's decision to give preference to Italian firms in doing work at the Esfahan metallurgical plant and to China in building the Tehran underground railway and supplying cars for it.

"For reasons which I find difficult to understand some Iranian circles consider it more advisable to cooperate with China in building the metro.

"I am not against China's participation in the venture: let us hold a tender and give the contract to the winner. It is a system accepted in the whole world.

"We have experience in building underground railways in seismically sensitive areas similar to that in Tehran, while our Chinese friends do not have such experience," Volskiy said.

Nonetheless, he proposed creating a joint consortium and stressed that a contract of this kind, particularly an order for the delivery of underground carriages, would be of great importance to the Russian manufacturers in St. Petersburg and Mytishchy. He said the only place where russia is now building an underground railway is Nizhnyy Novgorod. So the Russian builders are in need of jobs.

As concerns other promising lines of bilateral cooperation, Volskiy said Iran's Oil Ministry had risen a question about the delivery of oil equipment from Russia.

Iran declared that it had earmarked two billion dollars for the development of its oil industry and has enough money to purchase such equipment in Russia.

Touching on the problem of mutual settlements, Volskiy noted that "the two revolutions" (the break-up of the Soviet union and the Islamic revolution in Iran) complicated the situation very much. "It is now difficult to assess or calculate precisely what the Soviet Union owes and is owed," Volskiy said.

Russia is in debt to Iran for its natural gas supplies to the USSR, while Iran is in debt to Russia for the arms and other supplies.

"That problem can hang in the balance for a long time, but new contracts have since been signed and the accounts for them must be settled at present," Volskiy said.

He recalled that Iran owed Russian companies, including Selkhozmashexport, 22 million dollars. "When we raised these questions with the Iranian Ministry of Economics and Finance, we received a positive reply: they promised to settle the problem in the nearest future," Volskiy said.

Responding to an ITAR-TASS question, Volskiy said Russia was ready to deliver a third diesel-powered submarine ordered by Iran but it wanted Iran to come up with at least an up-front payment.

Volskiy said no political problems were discussed in the course of his visit. "I was prepared to handle acute questions, but the Iranians circumvented them in a very tactful way", he said.

"As concerns (First Deputy Speaker of the State Duma) Mityukov's recent visit to Iran, he initiated a discussion of the Chechnya problem himself," Volskiy said.

Volskiy stressed that he had no plans to run for the Russian presidency. "There are 16 contenders already. He who wants to become president must be able to correctly size up his own potential.

"I think that Russian presidents should be elected for two terms, that is for ten years. A candidate must be not older than 55 at the time of the election. I do not have a reserve of this kind," Volskiy said.

Kuwaiti Prime Minister Receives Parliamentary Delegation

LD1103214495 Moscow ITAR-TASS World Service in Russian 1619 GMT 11 Mar 95

[By ITAR-TASS correspondent Viktor Lebedev]

[FBIS Translated Text] Kuwait, 11 Mar—Deputy amir and crown prince, Prime Minister of Kuwait Shaykh Sa'd al-'Abdallah al-Salim Al-Sabah today received a Russian parliamentary delegation, headed by Ramil Mirsayev, chairman of the interparliamentary group in the Federal Assembly for relations with Arabic countries.

Questions concerning the development of Russian-Kuwaiti relations in the political and economic spheres were discussed during the meeting. The head of the Kuwaiti Government noted Russia's efforts aimed at guaranteeing a final settlement of the Kuwait crisis on the basis of the UN Security Council resolution. He assessed positively Moscow's mediation in the matter of the release by Iraq of Kuwaiti prisoners.

The five-man Russian parliamentary delegation arrived in Kuwait on Wednesday at the invitation of Ahmad 'Abd al-'Aziz al-Sa'dun, speaker of the Kuwaiti National

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Assembly. The delegation also met Kuwaiti deputies and discussed questions of coordinating parliamentary ties.

Posuvalyuk Meets Bahraini Amir, Prime Minister

LD1203142495 Moscow ITAR-TASS World Service in Russian 1339 GMT 12 Mar 95

[By ITAR-TASS correspondent Vyacheslav Anchikov]

[FBIS Translated Text] Abu Dhabi, 12 Mar—Today's meeting of the Bahraini Amir 'Isa Bin-Salman Al Khalifah and Russian Deputy Foreign Minister Viktor Posuvalyuk was devoted to the situation in the Persian Gulf region and the course of the peace process in the Near East. During the conversation the situation in Chechnya was also discussed. Viktor Posuvalyuk conveyed a message of greetings to the amir from Russian President Boris Yeltsin, expressing his wishes for progress and prosperity to the people of this Arab state.

The representative of Russia's foreign policy department was also received by Bahraini Prime Minister Khalifah Bin-Salman Al Khalifah today. During the conversation that took place issues relating to the state of relations between the two friendly countries were discussed in detail and ways of further strengthening them were outlined.

Envoy Notes Pakistan's Interest in Buying Russian Weapons

LD1403110795 Moscow ITAR-TASS in English 1015 GMT 14 Mar 95

[By ITAR-TASS diplomatic correspondent Andrey Bychkov]

[FBIS Transcribed Text] Moscow March 14 TASS—"The Pakistani Armed Forces are quite interested in purchasing Russian-made weapons," the Pakistani ambassador to Moscow told ITAR-TASS today. His statement refutes some recent reports that Pakistan was merely "bluffing", allegedly to prod Washington to the revision of its policy of supplying armaments to Islamabad. The U.S. Congress had clamped down restrictions on such deliveries in view of Pakistan's unwillingness to disclose the true nature of its nuclear programme and to join the nuclear weapons nonproliferation treaty.

First of all, Ambassador Tanvir Ahmed Khan said, Pakistan is interested in Russian fighter-planes, which are known for their excellent technical and tactical qualities. Not only the Pakistani Air Force, but also its ground forces and Navy are among the potential clients of the Russian defence enterprises.

The Pakistani diplomat explained by saying that Pakistan had not modernised its armed forces over the past ten years or so, and was "faced with certain difficulties" in getting weapons from the United States, which used to be its main source of armaments. As a result, "Pakistan's defence capacity gradually waned". In the meantime, the South Asian region has neither a system of collective security, nor a reliable mechanism to settle the arising conflicts and disputes. "This is why we are compelled to keep our means of containment at a definite level," the ambassador stated.

"We have several versions of further actions," Tanvir Ahmed Khan said. "One of them is the sale of Russian armaments to Pakistan. However, this question is still being studied. The Russian side has still not formulated a definite stand on the matter of whether to supply armaments to Pakistan or not. Therefore, Pakistan's military cooperation with the Russian Federation depends on a political decision."

China To Buy Russian Equipment for Manned Space Missions

LD1403121095 Moscow ITAR-TASS in English 1149 GMT 14 Mar 95

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[FBIS Transcribed Text] Moscow April 5 TASS—A Russian-Chinese intergovernment agreement on cooperation in launching manned spacecraft can be signed during a Moscow visit by Chinese Premier Li Peng next May or during a Beijing visit by Russian President Boris Yeltsin in the latter half of 1995, ITAR-TASS learnt from a spokesman of the Russian Space Agency (RSA) here on Tuesday.

The spokesman noted that particulars of the agreement will be also discussed during a visit to China by First Vice-Premier Oleg Soskovets in April.

The space expert said that cooperation with Russia in launching manned spaceships may cost "billions of dollars" to China. The Russian side plans to make settlements in hard currency.

At the same time, he continued, partial payments on the basis of "a currency barter" is possible, that is with goods not produced by Russia and purchased abroad.

The Chinese National Space Administration, a partner of the Russian Space Agency, displayed special interest in purchasing systems of emergency rescue and thermal control as well as other joints and units, including the docking system.

Several failures of satellite launchings in China, including foreign spacecraft, raised the question of modernising booster rockets of the Changzheng (Great March) series, which are not quite reliable to implement a manned flight.

"We attentively monitor all Russian components and technologies to be used only for peaceful purposes," the spokesman said, stressing that all contracts with Chinese partners invariably point to inadmissibility to transfer knowhow to a third party. The RSA now introduces mandatory licencing of all its contracts.

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China plans a manned mission in 2000-2002. Later, may be in 2015, Chinese partners intend to build an orbital space station. In the opinion of some experts, this programme aimed at admitting China to the club of leading space powers, is lagging behind by several years.

Ministry Official Interviewed on Kozyrev's PRC Visit

OW1403100195 Moscow Voice of Russia World Service in Mandarin 1100 GMT 7 Mar 95

[Interview by station special correspondent (Mikhalyev) with Logvinov, chief of the China Department of the Russian Ministry of Foreign Affairs; place, date of interview unknown—from the "Current Events and Commentary" program]

[FBIS Translated Text] In an interview with the station's special correspondent (Mikhalyev), Logvinov, chief of the China Department of the Russian Ministry of Foreign Affairs, discussed his views on the outcome of Russian Foreign Minister Kozyrev's visit to China. The China Department chief accompanied the foreign minister on the latter's recent visit to China.

[Logvinov, in Russian fading into announcer-read Mandarin translation] The main purpose of Russian Foreign Minister Kozyrev's visit to China was to discuss specific measures for implementing the agreements reached during the second Russo-Chinese summit when PRC President Jiang Zemin visited Russia in September 1994. We are now trying to create favorable conditions for the third summit, an agreement on which was reached in principle last year during the PRC president's visit to Russia. During the Russian foreign minister's visit to China, the two sides discussed and decided on arrangements for other visits this year: Chinese State Council Premier Li Peng will pay a visit to Russia in the second half of May; a meeting of the inter-governmental committee on economic, trade, and technical cooperation will be held; the Russian and Chinese delegations to the aforesaid meeting will exchange visits; and the Russian and Chinese foreign ministries will continue consultations on major and pressing issues in international affairs and bilateral relations.

Russian diplomat Logvinov continued: The most important task at present is to lay the economic foundation for a constructive partnership. It should be pointed out that the Russian-Chinese economic and trade relations were rather sluggish last year, with the trade volume decreasing more than 30 percent, which, I believe, is a transient phenomenon. This is primarily because the growth in bilateral trade in previous years was maintained through barter trade, which obviously is outdated and lagging behind the demand for reform being carried out in both Russia and China. The two sides reached an unanimous understanding on specific measures for overcoming the situation that has arisen.

Fielding the correspondent's question about the significance of the development of Russo-Chinese constructive partnership for the situation in the Asia-Pacific region, Logvinov said: It would be difficult to make an assessment. At present, Russia and China have reached broad mutual understanding on the most fundamental issue of our time—first and foremost, the nature of international relations in the post-confrontation era. We stand for the establishment of partnership with all countries in the world. However, partnership should be founded on the basis of mutual respect and equal footing, especially regarding cooperation in the Asia-Pacific region. As far as this issue is concerned, our two countries share many common points. We have drawn up plans for the two foreign ministries to consult with each other on international and regional issues.

Russian diplomat Logvinov continued: Our starting point is that the stable partnership between Russia and China not only conforms with the vital interests of the two countries and their peoples but also constitutes the most important factor for maintaining stability and security of the Asia-Pacific region and the world as a whole.

Moscow Votes Against Human Rights Resolution on Tibet

MM1303092595 Moscow IZVESTIYA in Russian 11 Mar 95 p 2

[Report by Vladimir Skosyrev: "Expediency or Principles. Moscow Votes Against Resolution Condemning China"]

[FBIS Translated Text] Beijing—Moscow has won praise from Beijing for its "consistent" position in the UN Commission on Human Rights in Geneva.

PRC Foreign Minister Qian Qichen, addressing a press conference, was positive about the conduct of Moscow's representative who had voted against a draft resolution proposed by the West condemning China for its persecution of dissidents, for the lack of freedom of expression, and for its repressions in Tibet.

Of course, the wish to have good relations with a powerful neighbor is a fine thing. Who would argue with that? But what about past declarations? Indeed, Russia's president himself and its foreign minister have repeatedly talked about commitment to the criteria of the freedom of the individual that are accepted in democratic states. Now, apparently, they have had to choose between principles and expediency.

What is this expediency from the viewpoint of our Foreign Ministry? The answer, presumably, should be sought in the part of the draft resolution which concerns Tibet. You will recall that Beijing is encountering separatist actions in this autonomous region of the PRC. They are being crushed. If it condemns Chinese actions in Tibet, how can Russia justify its war in Chechnya?

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Far East Governors Said Adamant on PRC Border Demarcation

MK1103124095 Moscow SEGODNYA in Russian 11 Mar 95 p 3

[Report by Oleg Kryuchek under the "Demarcation" rubric: "Far Eastern Governors Stand Up To Guard Russian Borders. Border Guards Await Arrival of Official Chinese Representatives"]

[FBIS Translated Text] The parliamentary commission working in Maritime Kray led by international affairs committees heads, Messrs. Lukin and Podoprigora, have disagreed with Maritime Kray Administration Head Yevgeniy Nazdratenko on a need to revise some points in the 1991 Russian-Chinese border demarcation agreement. In particular, to Mr. Nazdratenko's claim that the region had taken no part in the discussion and the ratification of the document's text, the parliamentarians answered plainly and without cunning: "Too bad you did not take part." Decorated by the International Slavic Fund with the "St. Andrew" order for strengthening Russian statehood, Mr. Nazdratenko continues to insist on the signing of a separate protocol on the demarcation of 17 kilometers of the Russia-China border in Maritime Kray.

The Maritime head's stance found sudden support in statements by the heads of administration of neighboring territories. In particular, Chita Governor Mr. Ivanov also said he did not participate in the signing of the demarcation documents and voiced readiness to contest the legal ownership of two islands in the Argun River. Khabarovsk Kray Administration Head Viktor Ishlev has issued his own decree toughening the rules of passage by Chinese vessels along the Amur near Khabarovsk and moved to state that he does not intend to retreat from his decision.

General Valeriy Rozov, head of the demarcation commission from the Pacific Border District, told the local media that the situation along the border has become very difficult and that representatives of official organs of the People's Republic of China are expected to arrive in Vladivstok soon. Border officers think such a visit signals China's readiness for an official reaction to the statements by Russian regional and federal politicians.

Moscow, Tokyo Begin Formal Talks on Fishing Rights

OW1303150595 Tokyo KYODO in English 1436 GMT 13 Mar 95

[FBIS Transcribed Text] Moscow, March 13 KYODO—Russia and Japan begun formal talks on Monday [13 March] about making Japanese fishing near the disputed islands off Hokkaido safer, officials said.

Attending the bilateral talks are Japanese officials of the Foreign Ministry, the Fisheries Agency and the Maritime Safety Agency, and Russian counterparts including the National Guard and Fisheries Committee members, Japanese officials said.

Russia has said a planned agreement on fishing rights must be concluded between the two governments, while Japan is reluctant to sign a government treaty for fear that it would be interpreted as an implicit recognition of Russian sovereignty over the disputed islands off Hokkaido.

The four isles were seized from Japan by the former Soviet Union at the end of World War II. Japan has ceaselessly demanded the return of what it calls its "northern territories."

In line with a crackdown on poaching, Russian border guards have repeatedly fired warning shots at Japanese vessels, wounding crew members in some cases. A number of Japanese fishermen have been detained in Russia on charges of poaching.

Japan and Russia agreed during Russian Foreign Minister Andrey Kozyrev's visit to Tokyo earlier this month to open official negotiations on a fisheries agreement that would secure safety for Japanese fishing fleets operating in the disputed waters.

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Political Issues

Kremlin 'Panic' Over Listyev Murder Viewed

MM1403091295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Mar 95 p 1

[Article by Yevgeniy Valabuyev: "The Kremlin Gods' Reaction to the Murder of Vlad Listyev—Panic and Fear for Their Lives"]

[FBIS Translated Text] The bullets fired from a Browning pistol with a silencer in the entrance to an apartment bloc on Novokuznetskaya Street have had unexpectedly loud repercussions in every nook and cranny in the Moscow Kremlin, frightening the current occupants to death. The murder of Vladislav Listyev, who had seemingly joined the category of nomenklatura untouchables on being elected general director of "Russian Public Television," was an awful omen for all those in power. Their time was up. There were no more untouchables, apparently.

The ruling elite's initial reaction can be summed up in one word: shock.

Immediately following the news of the murder of Vlad Listyev, many officials who were directly involved in the coordination of state policy in the television sphere (and those who were involved in distributing the package of fiscal concessions and state sector orders, and in privatization and other lucrative occupations) were overcome by sheer panic. Those who only yesterday believed that admission to the Kremlin meant a carefree life and confidence in the future were now rushing from friend to friend in search of a new place to live, asking to stay with someone out of town, wanting to take refuge abroad with their families. The murder of the Russian Public Television Joint-Stock Company general director was unequivocally described by the new Russian elite as a clear threat, a warning from obviously nonstate structures. Everyone who had something to lose and something to share was mentally trying on a wooden overcoat for size. Neither stronger personal security (for example, Russian Public Television directors were allocated cars and bodyguards at the expense of "LogoVAZ"), nor the presence of an incredible (for civilians) quantity of gas weapons and firearms in the safes of offices, apartments, and dachas, was any comfort.

What about the power departments, for example, the president's security administration, with its "long arms"? Are they not capable of protecting the top people at least?

Actual functionaries in presidential and government circles admit (although confidentially, with the telephone disconnected, and without witnesses) that the all-powerful offices of Messrs. Barsukov and Korzhakov do everything but protect the nomenklatura "rank and file." Indeed, in the time of Lavrentiy Pavlovich [Beriya] or even Yuriy Vladimirovich [Andropov], no hardened criminal, terrorist, or other antistate element even contemplated intimidating a state employee of any rank. Now the nomenklatura is toothless, fragmented, and defenseless in the face of the moneybags—whether it be a provincial governor or private bank. The state organs' chastising hand can barely even cover the president and grab dissidents in their own ranks by the throat. As the investigation into the murder on Novokuznetskaya Street shows, nearly all (!) the mobile telephones belonging to employees of the president's apparatus, the government, and related organizations are tapped.

But "LogoVAZ," "Menatep," "Soyuzkontrakt," "MostBank," and many other developing giants with economic influence have strengthened their security ranks pretty well. They will determine the direction in which Russian business and the country's political life develop. But at the moment none of them is capable of rising above the interdepartmental strife: The trouble is that the Russian entrepreneurial sector has not yet recognized its common corporate interests and is not prepared to act in a united front and devise a collective approach to collaboration with the political authorities. Each of them merges with the state structures in whatever way it can....

It can now be said with absolute certainty that, with the disintegration of the levels of authority, special services, and law enforcement organs, the once unified state organism has broken into fragments which are acting as independent entities on the Russian political stage. A tug of war between the major groupings—Russia headed by Yeltsin, and Moscow represented by Mayor Luzhkov—is inevitable. They are waging a fierce struggle for control over the "Ostankino" first channel—on the threshold of the election race for the presidency. And Vlad Listyev is the most prominent victim of this struggle.

But not the only victim. They say that before Vlad there were six people who were maimed or killed as a result of fights over "Reklama-Kholding." Boris Nikolayevich and Yuriy Mikhaylovich did set an example of enviable unity when they met in the Malyy Theater. But there is reason to suspect that what they concluded was a truce, not peace. There is one year to go before the elections, if they take place, and there are going to be some real displays of martial arts. Major analysts predict that everything will be decided in the "home stretch." Zhirinovskiy, Zyuganov, and, you never know, Chernomyrdin could be in contention—in this tight bunch the battle promises to be an uncompromising one, in which anything goes.

Information Collected on 'True Assassins'

LD1403131495 Moscow INTERFAX in English 1132 GMT 14 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 14 (Interfax)—Investigators have collected information about the true assassins of TV journalist Vladislav Listyev, the head of the team, Boris Uvarov, told Interfax Tuesday.

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Attempts are now being made, he said, to make identikits of the men. "It is not as simple as last time because the men were much more careful and did not hang out in the yard for hours as [did] the young men whose identikits [composite sketches] were circulated by the media. Still there were people who saw them," the investigator said.

"In general one should not think that if some conclusions prove wrong, the investigation stops," Uvarov stressed referring to the fact that the suspects whose pictures had been published proved to be innocent.

"The disclosure of the alleged murderers does not mean that we are in a blind alley," he said.

According to Uvarov, the new identikits might not be published because this would alert criminals and hinder the investigation.

"So far the investigation has not found any political motives for the murder. Some people wished to make it seem like a political assassination. But there has been no proof of that," Uvarov said. He said any other motives were possible, adding that the investigators are thinking of the motives of those who ordered the crime, not only of those who executed it.

Listyev was shot dead near the stairway of his house on March 1.

Conduct of Investigation Scored

MK1403113095 Moscow SEGODNYA in Russian 14 Mar 95 p 1

[Report by Artem Vetrov under the "Composite Pictures" rubric: "Investigation Was a Bit Hasty. 'Main Trail' in Listyev Case Proves To Be False"]

[FBIS Translated Text] Watching the progress of investigation into the Vladislav Listyev murder case, the Russian public was disappointed over the weekend. "The supposed murderers," whose composite pictures were disseminated by the mass media, were finally tracked down only to find they had nothing to do with the slaying of the journalist.

The investigators have established that the dubious fame of super-killers came to the two young men (their names and particulars are being kept secret) quite by accident but rather logically. The night Vladislav Listyev died they simply came to his home to agree on payment for redecorating the journalist's new apartment. Together with their foreman, they pulled up at the apartment building at 30 Novokuznetskaya Street—then unknown to the broad public—at about 1900 or 2000. The foreman, as their superior, went up to the apartment to negotiate with Vladislav's wife, asking his workers to wait downstairs. They went into the entrance hall to keep warm. There they were seen by a lady who lived next door to Listyev.

When the redecorating story became known, the young people were asked by operations officers to the headquarters, where the lady responsible for the composite picture identified the supposed "killers" right there. After an official procedure they were released. It is worth mentioning that the "notorious men" did not feel inconvenienced in any way at all throughout the two weeks the search for them was on. According to some reports, no one paid any attention to them at all (one should say that the composite pictures showed a great similarity). But then, the guys were not seen out on the street much because they were busy most of the time redecorating apartments.

Specialists, however, note that the finale of the public search for the "supposed murderers" was very logical and most probably stage-managed with the now well-known objective—to defuse public tension and create a semblance of activism by the authorities. The real interests of the investigation were far from taken into consideration. In specialists' view, the publishing of a composite picture without specific information about the suspect and weighty grounds implicating him in the crime is totally useless. Even if the persons featured in the composite pictures were indeed the criminals, and even if the militia managed to catch them, nothing could have been proved. Being present at the scene of a crime in a certain period of time far from constitutes the crime itself. Besides, even under more favorable circumstances, after the composite pictures have been published in the media, any lawyer could have proved invalid the procedure of identification of the perpetrators by witnesses. Thus, one can now say that investigation into the Listyev case has finally slipped into the normal and usual groove, where the murderers are unknown and there is no knowing if they will ever be found.

Logovaz Director Comments on Investigation

954F1718A Moscow NTV in Russian 5 Mar 95 p 1

[Comments by Logovaz director Boris Berezovskiy, with introduction by Yevgeniy Kiselev, broadcast on the "Itogi" television program on 5 March 1995"]

[FBIS Translated Text] [Kiselev] Since various mass media, including our program today, have mentioned on numerous occasions the name of Boris Berezovskiy, head of the Logovaz joint-stock company, who is also becoming a prominent figure in television, we felt compelled to provide a sufficiently detailed brief for television viewers regarding who Boris Berezovskiy is and what Logovaz is.

Today the Logovaz holding company is one of Russia's largest companies, the official dealer of Avtovaz and leading foreign car companies such as Mercedes Benz, General Motors, and others. Specialists explain Logovaz' swift success in the Russian car business by the effective management methods utilized by the company and its head Boris Berezovskiy. Half of the Logovaz name

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comes from the Italian company Logosystems. In 1989 this company, together with Avtovaz and the Institute for Management Problems, where Professor Berezovskiy then worked, acted as cofounder of the Logovaz joint enterprise. Foreign capital still participates in Logovaz operations. The press names the Swiss trading house Andre as Logovaz' current foreign co-owner.

Logovaz owns 15 percent of the charter capital of AVE—the All-Russia Automobile Alliance—whose commercials millions of Russian television viewers see on every channel every day. The Alliance enjoyed unprecedented attention on the part of the Russian authorities and was exempt from the profit tax, from paying excise taxes on sales of the products it manufactures, and from paying customs duty when importing products needed for its projects. However, the name of Boris Berezovskiy became widely known in the country not because of his business successes but after 7 June of last year, when he became the target of a brazen assassination attempt, which he miraculously survived. On that day, as Berezovskiy's Mercedes was passing through the gate on its way out of the Logovaz office on Novokuznetskaya Street—located, by a strange irony of fate, literally around the corner from the building where nine months later Vladislav Listyev was murdered—unknown terrorists detonated by remote control explosives packed into a car parked near the gate. Berezovskiy's limousine was blown to pieces, the driver killed, but Berezovskiy himself by an incredible stroke of luck survived. The organizers and executors of this assassination attempt still have not been found, despite the unprecedented reward of R2 billion offered by Berezovskiy's business partners. As is usual in such cases, many potential motives for such an assassination attempt were mentioned then, but today it would be useful to recall that the Logovaz head himself in an interview to NOVYY VZGLYAD newspaper cited as one of the main scenarios his involvement in the television business, especially in the conversion of Ostankino to joint-stock holding. The assassination attempt did not scare Berezovskiy off and did not force him to withdraw from this business. On the contrary, today Logovaz and Boris Berezovskiy personally play a very prominent role in Ostankino. Logovaz is among the largest private stockholders of the Russian Public Television [RPT] currently being created on Channel 1, while Boris Berezovskiy himself is first deputy chairman of its board of directors. Another Logovaz high-ranking executive, Arkadiy Patarkatsishvili, also became RPT's first deputy general director, that is, deputy to the late Listyev. During the days of the public viewing in Ostankino and at the Vagankovo Cemetery, Berezovskiy and Patarkatsishvili stood side by side by Listyev's casket as part of the honor guard.

After the incident involving the unexpected interrogation—or questioning, to use more precise legal terminology—of Boris Berezovskiy, he gave a very prominent large interview to the Information Television Agency [ITA], fragments from which we decided to include today—with ITA's permission—in this "Itogi" broadcast.

[Berezovskiy] There was a memorial service in Ostankino. A memorial service attended by enormous crowds. I was there, too. At 1500 I returned here, to our reception house, where Vlad had been spending a lot of time lately. This was in a way the headquarters for what we were doing together—here and at ITAR-TASS. I saw a group of armed people here. They were OMON [Special Purpose Militia Units]. I saw here... I saw people in civilian clothes, who introduced themselves as RUOP [Regional Directorate for Combating Organized Crime] officers, and showed me a search warrant—this was in the beginning. Well, I inquired what these gentlemen actually expected to find. I did not get a coherent answer. Some time later, as a result of a, shall we call it, conversation, it came out that the gentlemen wished to obtain the Russian Public Television charter. They chose a very strange way to do so—a search warrant. They were given the RPT charter. Frankly, I do not know whether I was supposed to do this or not, but since the gentlemen wanted the charter—well, it does not constitute a commercial secret. But later, after some time, after they talked to Mr. Patarkatsishvili, who is the RPT's first deputy general director—that is, Vlad's first deputy—after some time Mr. Patarkatsishvili came to me and said that the gentlemen from the RUOP want to take him with them, for interrogation. At this point as a witness. Well, naturally, by itself this is not an unlawful action, but the way it was all being done alarmed me, and I began to see some sort of provocation and began to categorically object against the gentlemen taking Mr. Patarkatsishvili to the RUOP. This caused a violent reaction. I was told that they would go and get handcuffs. Naturally, I said that this was the gentlemen's prerogative and they could go and get the handcuffs. They disappeared, but after a while they did indeed show up and this time demanded that I too accompany them to the RUOP. Naturally, I decided to get clarification at a higher level regarding the legality of these actions, and summoned a lawyer. Upon arrival the lawyer said that these actions look very much like a provocation, and I continued, with more confidence now, to attempt to resolve this issue at a different level. The gentlemen received a direct order not to act the way they had been acting—from the federal authorities. While the gentlemen represented the Moscow authorities. This in a way slowed them down but did not stop them. All this outrage went on until about 2100, and as a result Mr. Patarkatsishvili did after all go to RUOP, where he was questioned. But after all the endless calls it became clear to me that too many waves had already been made for anything to be done to him—I mean physically—and they would not get away with it, and therefore in a certain sense I was more calm by then. As for myself, the gentlemen found it possible to question me as a witness right here, thereby confirming in a way that their allegedly inviolable requirement that all this must be done on

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RUOP territory was apparently not all that inviolable and was not at all in conflict with the law. All in all, in general, naturally, I cannot see it as anything but a provocation. If we add to all this that in June 1994, when an assassination attempt was made on me, as a result of which my driver died and I was simply wounded, and that this action not only was not solved but was not even investigated, and that, on the contrary, there had been direct blackmail—and I have the facts to prove it—direct blackmail on the part of the Moscow authorities, all this in a way puts additional touches to the picture. I want to emphasize here that what the president said... what the president said yesterday—well, it is the day before yesterday by now—what the president said regarding the responsibility of the Moscow authorities for runaway crime in Russia as a whole, since Moscow today undoubtedly is the center of mafiosi groups—what action, what kind of action? I believe that the president made an absolutely correct decision: Action is needed, and Moscow RUOP chief Pankratov undoubtedly must resign, and the city general procurator must also resign. In general, regarding the president, he must show that he is, so to say, an absolutely real authority. I am sure that the president has no lack of resolve, and everything that has been said will be carried out.

[Kiselev] Investigators are surprised by the Logovaz president's overly emotional, as they put it, reaction to their actions in investigating Listyev's murder, ITAR-TASS reported today, quoting Viktor Kiryushin, deputy chief of the Moscow regional directorate for combating organized crime—RUOP. I am now quoting him: "I am surprised at Berezovskiy's reaction, because he was a close friend and colleague of the slain Vlad Listyev and should be interested in a positive outcome of the investigation," said Kiryushin. ITAR-TASS points out that, according to Kiryushin, the fact that Berezovskiy was questioned not in the investigative organs' offices but in his own office is a clear violation of the law, and any attorney may challenge this circumstance.

Luzhkov Sends Letters to Yeltsin, Others on Dismissals

LD1403121595 Moscow ITAR-TASS in English 1135 GMT 14 Mar 95

[By ITAR-TASS correspondent Galina Sugak]

[FBIS Transcribed Text] Moscow March 14 TASS—Moscow Mayor Yuriy Luzhkov has sent letters to President Yeltsin, Interior Minister Viktor Yerin and Acting Prosecutor-General Aleksey Ilyushenko, asking them to consider a possibility of reinstating Gennadiy Ponomarev as Moscow public prosecutor and Vladimir Pankratov—as head of the Moscow interior department. They were both removed from their posts after the murder of Vladislav Listyev without the consent of the Moscow leadership.

Luzhkov told journalists as early as last week that he was going to appeal to the president. He said as well that he intended to appeal to the Constitutional Court or the Supreme Court.

"The current situation is extremely difficult for me," Luzhkov said today, responding to questions of journalists during a break in a session of the Moscow government. "On the one hand, I have always supported and continue to support the president of Russia, but, on the other hand, I cannot agree to the dismissal of the heads of the Moscow law enforcement agencies."

If the judicial authorities do not support the mayor's stand, Luzhkov plans to resign. "Since the settlement of the problem is being procrastinated, I think I shall have to take a decision by myself," he told journalists.

Luzhkov Filing Appeals With Courts

LD1303203695 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 13 (Interfax)—Moscow Mayor Yuriy Luzhkov is filing pleas to Russia's Supreme and Constitutional Courts to contest the federal authorities' decision to dismiss the heads of the Moscow Interior and Prosecutor's Office, head of the legal department of the Mayor's Office, Sergey Dontsov, told Interfax. He said the papers would be sent to the appropriate courts on Tuesday.

He said the Supreme Court is expected to look into the sacking of Moscow Police Chief Vladimir Pankratov and the Constitutional Court to consider the dismissal of Moscow Prosecutor Gennadiy Ponomarev.

The two officials were sacked by Interior Minister Viktor Yerin and Prosecutor General Aleksey Ilyushenko behind the mayor's back last Monday. The decision came in the wake of President Boris Yeltsin's speech at the Ostankino TV company on March 2, a day after the murder of TV journalist Vladislav Listyev.

The mayor, who was strongly opposed to the sackings, has threatened to resign if the decisions is not annulled.

Yeltsin Selects Sergey Medvedev To Replace Kostikov

LD1403104095 Moscow ITAR-TASS in English 1026 GMT 14 Mar 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow March 14 TASS—Russian President Boris Yeltsin signed a decree on Tuesday naming television journalist Sergey Medvedev presidential press secretary, a source in Yeltsin's administration told TASS.

Medvedev will replace Vyacheslav Kostikov who goes to Vatican in the capacity of Russia's envoy.

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Medvedev, 37, was born in the city of Kaliningrad. In 1981, he graduated from the Moscow State University and was enlisted to the staff of the Moscow radio.

For the past few years, Medvedev has been working as an anchorman at the state-run Ostankino television channel.

He is married with a son.

New Press Secretary Views Tasks

LD1403130895 Moscow ITAR-TASS in English 1256 GMT 14 Mar 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow March 14 TASS—New Presidential Press Secretary Sergey Medvedev told ITAR-TASS after meeting Boris Yeltsin today that "the arising alienation of the president's team from the press is quite surmountable". In any case, Medvedev said that he got the president's assurances that the work of the new press secretary would be based on a direct contact with the head of the state. "Without this the duty of press secretary would be purely decorative for me," Medvedev noted.

The new press secretary promised the journalists to hold weekly briefings to provide them with "first-hand" news, including information on the president's working plans.

Medvedev admitted that he found it difficult to make the present choice. "I am an independent man, although I had worked on the state television. During my meeting with Boris Yeltsin I told the president frankly that I reserve the right to make my own assessments and conclusions, including those on the operations of the federal troops in Chechnya, during which quite a few blunders were committed, particularly as regards the propaganda campaign. I have pointed this out on the TV and the president understood me," Medvedev stated. Moreover, the new press secretary said that he was well aware about the difference between statements made by the presidential press secretary and "one's own concoctions", which a functionary has no right to make in official reports.

Asked by ITAR-TASS why it was Chief of the Presidential Security Service Aleksandr Korzhakov, who talked to the future press secretary in the Kremlin, not the President's First Assistant Viktor Ilyushin or Head of the Presidential Administration Sergey Filatov, Medvedev replied: "I did not choose my interlocutor, but I think the head of the security service had every right to 'sound out' the future member of the team."

As to the journalists, accredited under the president, Medvedev believes that it is the duty of the press service, not the special service, to organise their work. "I shall exert every effort to prevent the repetition of situations when documents were taken away from journalists and they were barred from entering the Kremlin," Medvedev said. The new press secretary said that he had received no farewell recommendations from his predecessor Vyacheslav Kostikov.

Medvedev plans to report to work in the Kremlin on Monday, March 20.

Korzhakov 'Approved' Appointment

MK1103091595 Moscow NEZAVISIMAYA GAZETA in Russian 11 Mar 95 p 1

[Unattributed report in the "In Brief" column: "Yeltsin's New Press Secretary"]

[FBIS Translated Text] Yesterday State Duma deputies blessed a new envoy to the Pope—former press secretary Vyacheslav Kostikov. According to Kostikov, Yeltsin's new "mouthpiece" will now be Sergey Medvedev, Ostankino commentator. He was already introduced to the president's chief bodyguard Korzhakov. Aleksandr Vasilyevich [Korzhakov] approved the appointment.

Gromov's Office at MOD May Be 'Sealed Off'

LD1103154895 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 11 Mar 95

[FBIS Translated Text] It is possible that former Deputy Defense Minister Boris Gromov will not be allowed into his office in the Defense Department on Monday. Our radio station learned this from Boris Gromov's deputy, Vasiliy Gromov.

[Begin Vasiliy Gromov recording] A directive has been issued on abolishing the secretariat of the Deputy Defense Minister Cololnel Geneneral Gromov and creating a new apparatus within the Foreign Ministry. However, unfortunately we do not yet have anything—no office, no equipment. This is contrary to the president's decree, which states that General Gromov will retain his apparatus and all forms of back-up and facilities that he had before he was appointed to the post of deputy minister in the role of chief military expert under the foreign minister. There is a directive from the defense minister which, in violation of the president's decree, [?charges the costs of] the military expert under the foreign minister to the Ministry of Foreign Affairs of the Russian Federation. [end recording]

[Announcer] Vasiliy Gromov said the office of the former deputy minister has not yet been sealed off, but the officials of his apparatus, on instructions from the head of the administration of affairs of the Defense Ministry [MOD] have already begun to hand over their files.

Gromov Staff Refuses To Vacate Premises

LD1403092495 Moscow ITAR-TASS in English 0836 GMT 14 May 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

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[FBIS Transcribed Text] Moscow March 14 TASS—Some officials of the apparatus of Russian Deputy Defence Minister Boris Gromov, who was recently appointed to the post of military expert of the Russian Foreign Ministry, have spent last night in their offices. They refused to obey the order of the ministry's administrative services and guards to vacate their premises in the building of the Defence Ministry, ITAR-TASS was told today morning by a representative of Gromov's apparatus.

In spite of the Monday report that the communication lines of Gromov's apparatus were cut off, ITAR-TASS was able to contact it today through the Government ATS-2 line.

A representative of Gromov's apparatus abstained from commenting on the events. He expressed the hope that the problem would be settled by noon.

More on Gromov Eviction From MOD

MK1403111095 Moscow SEGODNYA in Russian 14 Mar 95 p 1

[Report by Pavel Felgengauer in the "Generals" column: "Boris Gromov's Last Trench. Confrontation in the General Staff Building"]

[FBIS Translated Text] Forces loyal to General Grachev (representatives of the Defense Ministry Administrative-Management Directorate and the commandant's office) laid siege yesterday to Deputy Defense Minister Gen. Gromov's office in the old General Staff building (19 Znamenka Street). Boris Gromov himself is down with the flu at home, with a high temperature (39 Centigrade). Officers in the Gromov apparat, his aides, and assistants (10 people), however, decided themselves to maintain the defense, even after the enemy removed conscript sentinels in the morning. One assistant—Aleksey Panteleyev—told SEGODNYA's correspondent that "several ultimatums were presented to us with the demand to leave the premises by a certain hour; we were cut off from faxes; four out of six office cars have been confiscated, but we decided to stick it out to the end." Being sick, Gen. Gromov signed an appeal to the public demanding that illegal actions by the "vengeful" defense minister be stopped.

In February President Yeltsin, under a special edict, assigned Gen. Boris Gromov to the Ministry of Foreign Affairs as chief military expert in the rank of deputy defense minister to "define the military aspects of Russian Federation foreign policy and to appraise international treaties." This edict was not a surprise to Boris Gromov himself: The idea of a partial movement to the Ministry of Foreign Affairs and the text itself were coordinated earlier. The cadre reshuffle was the result of a compromise: Boris Gromov was being banished for open criticism of the operation in Chechnya, but the banishment was quite honorable. The general and his associates were "assigned" to the Ministry of Foreign Affairs, not dismissed from their posts. Furthermore, Point 3 of the presidential edict stressed that Boris Gromov and his officers would retain "all forms of support at the expense of the Defense Ministry," which, in their interpretation, also meant the premises. Gen. Gromov was not going to move to Smolenskaya Square. As long as he stayed in the General Staff building, his assignment looked like a temporary one in his military career.

But Gen. Grachev had a different opinion on the issue, and he decided to show who's boss in the army. During Andrey Kozyrev's visit to Japan (accompanied by Boris Gromov) Pavel Grachev signed a directive evicting the disgraced Afghan hero "to the Ministry of Foreign Affairs." The operation began 13 March. Within the next few days it will become clear how well the military department has prepared this time.

Caucasus Peace Conference Set To Convene 14 Mar

LD1303131995 Moscow INTERFAX in English 1127 GMT 13 Mar 95

[FBIS Transcribed Text] Moscow, Mar 13 (Interfax)—The public conference called "Peace Initiative in the Caucasus", which is to open in Moscow Tuesday, is expected to be addressed by Prime Minister Viktor Chernomyrdin, chief-of-staff of the Russian president, Sergey Filatov, Patriarch of Moscow and All Russia Alexiy II, Russian Commissioner for Human Rights Sergey Kovalev, Deputy Chairman of the Federation Council Ramazan Abdulatipov and other officials. The statement was made Monday for Interfax by Chairman of the Duma Sub-Committee for Federative Relations and leader of the working group aimed at preparing and holding the conference Vladimir Lysenko.

He said that the conference would be "the most important public action since the beginning of hostilities in Chechnya". He said that the idea of holding the conference, advanced by some deputies of both houses of the Federal Assembly, was backed by President Yeltsin, Chernomyrdin, speaker of the Federation Council Vladimir Shumeyko and Duma speaker Ivan Rybkin, and by religious leaders of different confessions.

At the conference, said Lysenko, they plan to adopt a plan for a stage-by-stage peace settlement of the Chechen crisis. Also planned is the formation of a mediatory mission involving six to eight authoritative delegates of this public forum.

Lysenko said that the president is expected to meet members of the mediatory mission. After the meeting they will leave for the Chechen Republic for talks with the conflicting sides.

The conference will begin on March 14 at 2 p.m., at the parliamentary center. The press-center telephone numbers are 292 4145 and 292 5788.

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Chernomyrdin Too Busy To Participate

LD1303132895 Moscow ITAR-TASS World Service in Russian 1222 GMT 13 Mar 95

[FBIS Translated Text] Prime Minister Viktor Chernomyrdin will not be able to take part in the conference "Peace Initiative in the Caucasus" to be held on Tuesday in Moscow because of his busy schedule. The media reports to the effect that Chernomyrdin will be taking part in this conference are not true, Valeriy Grishin, the deputy head of the government press service told ITAR-TASS.

He said Viktor Chernomyrdin will continue his effort to seek ways of resolving the Chechen conflict. Thus, during this week, the head of the cabinet intends to hold a meeting of the Public Council which will be chaired by Oleg Soskovets, first deputy prime minister in charge of settlement of the situation in Chechnya. At present, Soskovets is preparing for this meeting, which will in particular take a look at implementation of the action plan confirmed by the prime minister on 16 January this year, Valeriy Grishin said.

Ostankino To Suspend Advertising Beginning 1 Apr

LD1003145195 Moscow ITAR-TASS in English 1432 GMT 10 Mar 95

[By ITAR-TASS correspondent Robert Serebrennikov]

[FBIS Transcribed Text] Moscow March 10 TASS—Beginning from April 1, any advertising will be stopped on the Russian "Ostankino" television channel for three months, chairman of the "Ostankino" Television and Radio Company Aleksandr Yakovlev told reporters at the Russian State Duma.

Yakovlev stressed that this decision had been made before Vladislav Listyev was murdered, and it would not be reversed.

Today the State Duma is discussing the conversion of "Ostankino" to joint-stock company "Russian Public Television".

Miners Will Not Picket Government 15 Mar

LD1403124095 Moscow ITAR-TASS in English 1150 GMT 14 Mar 95

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow March 14 TASS—Russian miners will not picket the Russian Government's residence on March 15, ITAR-TASS was told by Vitaliy Budko, chairman of the Russian Independent Coal Industry Trade Union.

After a day-long warning strike of 500,000 miners on February 8 the union decided to put off the picketing, which was called for March 1, for March 15.

Budko said the union's presidium would hold a broad membership meeting early on Wednesday to discuss the progress of an earlier agreement with the government on tariffs and payment of the budget debt to the coal sector.

The meeting is also to generate the sector's proposals to be handed to First Deputy Prime Minister Anatoliy Chubays, who will meet the union's delegation later on Wednesday. Whether miners will continue their scheduled protests depends on results of this meeting, Budko said.

Miners say the budget-projected appropriations to the coal sector remain inadequate. Vorkuta mines, which were paid some 48 billion roubles in early March, are owed 100 billions more.

ITAR-TASS was told by sources that miners of several Russian regions intend to stay away from protests because they are in dialogue with the government.

Most of Vorkuta's union leaders did not join the drive for a strike action on March 15. However, all union chairmen of Vorkuta's mining and mine constructing enterprises plan to launch a permanent hunger strike on March 15.

The say the stike will be started unless the government satisfies the sector's earlier demands of state support and sends to Vorkuta a commission to sort out the debt issue.

Yeltsin Rejects Law Protecting Personal Savings

LD1403091495 Moscow Radio Rossii Network in Russian 0800 GMT 14 Mar 95

[FBIS Translated Text] Russian President Boris Yeltsin has rejected a federal law on restoration and protection of personal savings of citizens of the Russian Federation that was adopted by the State Duma on 24 February and later approved by the Federation Council. The president has informed State Duma Chairman Ivan Rybkin about it. In his message he points out specific instances of how the new law contradicts current legislation, and criticizes the procedures for its implementation. Boris Yeltsin has again proposed that a conciliatory commission be set up to finalize the federal law on restoring and protecting personal savings and to bring it into line with the Constitution and federal laws.

Special Transport Unit Created for VIP's

954E0607A Moscow ROSSIYSKAYA GAZETA in Russian 24 Feb 95 p 4

[Article by A. Arefyev: "Green Light for the VIP"]

[FBIS Translated Text] **A special directive of the Government of the Russian Federation determines the status of special-purpose transport.**

Motor vehicles transporting officials who are under state protection, foreign delegations, government and political figures being received in Russia at the highest as well as

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at high levels, and foreign ambassadors in the process of presenting their credentials to the president of the Russian Federation are to be considered as such means of transport. The MVD [Ministry of Internal Affairs] and FSK [Federal Counterintelligence Service] of Russia, as well as well as the Main Administration of Protection of the Russian Federation are charged with the elaboration of measures ensuring the safe and unhindered movement of special-purpose motor vehicles throughout the entire territory of the country. The directive also envisages the creation of specialized subunits of the State Motor Vehicle Inspectorate of the MVD of Russia which are to ensure fulfillment of these tasks.

Yuriy Ilyin, deputy chief of the Main Administration of Motor Vehicle Inspectorate of the MVD of Russia, said "this directive was issued at such a high level because it was necessary to officially determine the status of individuals who are subject to state protection. In the recent past such 'subjects' included members and candidate members of the Politburo. Now, however, it is necessary to determine 'who is who.'"

The system ensuring most favorable conditions for the movement of "protected individuals" has existed for quite a while and is well worked out. As long ago as the thirties, the 10th Department of the State Motor Vehicle Inspectorate was created in Moscow and tasked with overall supervision of traffic in the capital and organization of motorcades and escorts. In addition, the MVD of Russia has special directives which regulate the order of unhindered and safe movement of special-purpose means of transport.

Today we no longer have the rigid scheme that existed in Brezhnev's days, when it was strictly stipulated that there be two escort vehicles in the front, with another vehicle equipped with special light and sound signalling devices in front of them, and a helicopter hovering overhead. Today the composition of the motorcade is determined by the protocol division of the Ministry of Foreign Affairs depending on the status of the delegation or the specific individual. It is our task to select the motorcade route depending on the road-transportation and (to a lesser degree) the criminal situation, and through the efforts of the point-duty service ensure safety along the route as well as unhindered movement of the special-purpose motor vehicle so that the VIP arrives at the required destination at the specified time. His physical security, however, is within the competence of the FSK and the Main Security Administration.

The principal guideline in our work is to make any disruption of city traffic as brief as possible. This requires clear-cut and coordinated operation by all the services of the Main Motor Vehicle Inspectorate. After all, any unforeseen changes in the regime of street traffic seriously complicate an already difficult situation on the streets of the city, which are not distinguished by their high traffic carrying capacity. So far, knock on wood, we have not been criticized for that work.

Social Democratic Party Program Assessed

954F1596A Moscow OBSHCHAYA GAZETA in Russian No 8, 23 Feb-1 Mar 95 p 8

[Article by Lev Sigal: "The Old Solar Prominences Have Tried To Sparkle One More Time"]

[FBIS Translated Text] **The intention to create a right-wing social democratic party headed by a pleiad of distinguished political figures was crowned by the founding last Saturday of the Russian Social Democratic Party (RSDP).**

In a program respect, the new party has proven entirely liberal-market and not a bit more left than Russia's Choice, but of the "pleiad," only Aleksandr Yakovlev is a member. Neither ex-mayor Gavriil Popov nor Marshal Yevgeniy Shaposhnikov, who had initially supported the social democratic initiative, was at the congress. His friends explain the absence of the first by the fact that Gavriil Kharitonovich is now a member of the opposition, and the marshal is alleged to be very busy in connection with the investigation of the circumstances of the transfer of weapons to General Dudayev. But the constituent congress was honored, on the other hand, by the presence of Sergey Filatov, the president's chief of staff, and his two deputies, Vyacheslav Volkov and Sergey Krasavchenko, and also Sergey Gryzunov, chairman of the Roskompechat.

It was to the guests that the congress was obliged for the most stirring episode. In a voice breaking with solemnity, the chairman announced: "Sergey Aleksandrovich Filatov will now read the greetings from the president of Russia." Sergey Aleksandrovich did so. "Convey to Boris Nikolayevich our satisfaction," Aleksandr Nikolayevich Yakovlev said to Filatov, as he stepped down from the platform.

This and also the aesthetics of Aleksandr Yakovlev's report and his guardedly buoyant tone ("Continuation of the reforms is the people's destiny," "The troubles and difficulties are enormous, but we are now different people, we have a different society....") evoked certain associations with the official speeches of the era of the "perfection of developed socialism." At the same time, the speaker could under no circumstances be denied a vividness of artistic resources. The report was replete with rich metaphors (the "Solar prominences sparkled," "The earth, the vast basalt mound, which stood athwart life, was moved") and such-like "flourishes of eloquence." For a political manifesto it was, perhaps, even all too fine to be able to lay claim to richness of content.

In the ideological respect, the differences between the social-democrats and the unhyphenated social democrats are perfectly understandable. But judging by its program documents, the RSDP cannot be called social-liberal, even. Thus, a social section was absent from the report altogether, but a section devoted exclusively to the struggle for private ownership of land was present. In the propaganda layout, the party is presented as national.

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Point two in the list of self-definitions reads: "We are a party of man's physical health," and "We are a party of wage labor" (and also all the other social strata, without exception) is only point seven. It would seem that the RSDP intends to campaign for itself in terms that are just as philosophically vague as Women of Russia, Kedr, or the Beer Lovers Party.

Several minutes prior to the longed-for luncheon, the delegates unanimously adopted the rules and program and a pile of resolutions, and then just as unanimously elected Aleksandr Yakovlev party chairman and formed the party's steering bodies. The magnificently prepared congress completed its business in one day and an hour sooner than planned.

It would be superfluous to conduct a journalistic investigation as to how the party was recruited, how the canvassing was undertaken at meetings of representatives of the president, and how requests for assistance were sent out to the administrations of the regions. The connection of "Yakovlev's party" with Staraya Ploshchad not only is not being concealed but is being used for advertising purposes. At the start of the congress, your author was approached by the leader of the press department, who, pointing to Yuriy Zaytsev, who is head of the RSDP Executive Committee, proudly informed the former that this man is "Filatov's assistant." True, Mr. Zaytsev himself specified, not without a note of irritation, that his work in Staraya Ploshchad was a thing of the past, now he was switching to the party entirely. Igor Kharichev, another former Filatov assistant, was an author of the RSDP's program documents.

And what about the party rank and file? The backbone is composed of workers of the Rosbytsoyuz—the production association of laundry and dry cleaning employees—who were turned toward social democracy by their leader, a former minister. The ranks of the RSDP have been reinforced also by employees of the Ostankino television company, which is headed by Mr. Yakovlev.

Now the newborn party has to somehow define its relationship with the Russian Social Democratic Union of Vasiliy Lipitskiy. Not so much on account of the similarity of the names as because both are looking for friendship with the unions. Although Mikhail Shmakov, chairman of the Federation of Independent Trade Unions of Russia, welcomed the RSDP congress, in the opinion of Andrey Isayev, secretary of the Russian Social Democratic Union and senior trade union official, a friendly triangle is hardly possible: "Whatever contacts are established 'at the top,' the rank-and-file union activists and the parties of the left will shy away from the name of Yakovlev alone, since they are radically opposed to the regime."

Those who voted for the present authorities in the person of its liberal representatives could theoretically be drawn toward the RSDP, whereas Shakhray's Party of Russian Unity and Accord is the reference point, evidently, for the conservative part of this electorate today. Such are the presumed contours of the near-power two-party system, but how the fate of the RSDP will shape up in reality will strongly depend on the degree of support on the part of the authorities and financial magnates. Meanwhile, however, Yakovlev sent off the delegates with the appeal "to seek money at home locally," not come to him "with outstretched hand."

Social Policy Priorities Outlined

954F1633A Moscow NEZAVISIMAYA GAZETA in Russian 28 Feb 95 pp 1-2

[Article by Doctor of Economics Yevgeniy Gontmakher, deputy chairman of the Council for Social Policy in the Office of the President of the Russian Federation; place and date not given: "Russia Has No Social Policy. Unless One Appears, Social and Political Upheavals Await Us"]

[FBIS Translated Text] When, at the end of 1991, the intention of radical economic reforms had matured, social problems were deliberately taken out of the frame. There was a perfectly logical justification for this: It was assumed that while the macro-economists did their work, people would show patience, and then, on the other hand—in just several months!—life would begin to improve rapidly.

But everything turned out otherwise. First, the decline in the living standard proved far greater than expected. According to official figures, the real income of the population of Russia in January-February 1991 had declined twofold, and the deposits in the savings banks had depreciated fivefold. Second, the pace of the macro-economic reforms had by the summer been lost.

Thus, a new situation took shape around social policy. The reformers were forced to do something. It was then that the practice of haggling between the government and parliament over the amounts of the indexation of the pensions and pay of persons in the publicly funded fields, allowances, and grants, which continues to this day, began. The government's position is unequivocal: to prevent the indexation proposed by the former Supreme Soviet and the present Federal Assembly compensating in full for the rise in the cost of living. The opposition has been variably successful. As a result, the living standard of the Russians who live on their wages or pensions alone even now has nothing in common with "well-being," and such social safeguards as the minimum pension, minimum wage, and child benefit are increasingly lagging behind the official, very modest, "poverty line."

Meanwhile:

absolutely nothing is left of the savings of tens of millions of Russians (the threefold indexation of actual deposits on 1 January 1992 that took place in 1994 was against the background of the 1,000-fold increase in prices a downright mockery of people);

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the situation as regards education, health care, and cultural services has deteriorated sharply (there was a constant decline in 1992-1994 in the amount of the actual funding of these branches);

the cost of transport, consumer services, housing, and prescription drugs have grown and continue to grow at an astronomical rate.

And here we have approached the key point. Those who have for the past three years been determining economic and financial policy in Russia regard social matters, as before, as a burden merely impeding the implementation of reforms.

In the opinion of our reformers, the system of social protection in Russia is adequate, and all who do not come beneath its umbrella must stand on their own two feet—this is the law of the market. Such a notion points not only to an ignorance of actual realities, but also to a misunderstanding of the situation in the West. The level of minimum social safeguards there is so high that you can have bread and butter even without working. This engenders—there!—the problem of dependency. But this is absolutely not the case with us!

The difference in the income of the 10 percent most and 10 percent least well-off people has reached a factor of 14 and continues to grow. These are the official figures. In actual fact, this difference is much greater. With an average living standard in the West that is incomparably higher than ours, this difference is less than tenfold. Our poor (and there are among them more and more able-bodied persons) are people who confront the problem of survival in the literal meaning of this word. This is an urgent problem not only for the needy, for that matter. Life expectancy in Russia—catastrophically low, as it is—is continuing to decline, morbidity and the invalidization of the population are growing....

What might the action options for the coming months be?

1. To keep to the former policy. This would with practically 100 percent probability guarantee in 1995-1996 the winding down even of the half-baked and inconsistent economic and, consequently, democratic reforms that are being implemented in Russia. In what specific forms this will happen is for the politicians to think about.

2. To sink into populism and rush to put out the fire with whatever comes to hand. As, for example, the Federal Assembly is doing, voting with one hand for an anti-social budget for 1995 and, with the other, for a 2.6-fold increase as of 1 February in the minimum wage, which is absolutely senseless from both the social and financial and economic viewpoints.

3. To embark, finally, on the formation and realization of an efficient social policy corresponding to the crisis realities of our economy and finances. Such a scenario is undoubtedly the most complex, but it alone retains some chances of a general successful outcome for the reforms.

What might the **priority** actions for the formation of such a social policy be?

A) It is necessary first and foremost to make appreciable **changes to personal income policy. The basic principles** of this policy are:

its inscription within the framework of a "moderately austere" or even "austere" financial policy;

the redistribution of state resources that are already being allocated for income support in favor of the least well-off;

the close linkage of income policy with employment policy and the reform of social insurance;

the completion of the process of the delineation of functions in the sphere of the formation of income between the federal and local authorities and the enshrinement of this delineation in legislation.

In the sphere of compensation for labor:

the imparting of a recommendatory nature to the Unified Rate Schedule of the compensation for labor in the publicly funded sphere;

the local authorities being entrusted (within the framework of the delineation of competence between the center and the regions and also the relationship between the federal and local budgets) with responsibility for the establishment of rates and salary scales in the publicly funded sphere. The territories where the funds for these purposes are sorely lacking shall be rendered assistance from a Fund for Support of the Regions specially created by the federal government within the framework of a transfer system of the relationships of budgets of various levels;

the strict linkage of the minimum compensation for labor with the subsistence level (the fixing in legislation of a proportion appreciably higher than that which has taken shape currently—50 percent, for example) and its corresponding indexation;

the transition to the hourly minimum compensation for labor as a minimum, legislatively established social safeguard;

the establishment of minimum sectoral and territorial amounts of compensation for labor (supplementary to the amount established at the federal level) and also rates, salary scales, and grades chiefly in the process of bilateral negotiations between employers and representatives of wage labor;

the immediate abolition of taxation of the labor compensation fund at enterprises.

PENSIONS:

The indexation of pensions by way of an increase in unified compensation payments supplementary to them fully in accordance with the increase in the retiree's

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subsistence level. Lest such indexation lead to the inordinate downscaling of the amounts of the pensions, it will be necessary from time to time to increase all pensions by one and the same factor;

an increase in the current factors of the modernization of earnings for retirees whose labor pensions were designated in past years;

the transfer of some of the payments of enterprises into the Retirement Fund (one-fourth of the current 28 percent, for example) into the computed wage of the employed and the granting of the employees the right to voluntarily choose their contribution (to either a government or nongovernment retirement fund);

the creation of a Federal Retirement Service.

ALLOWANCES AND GRANTS:

The introduction of a federal means allowance, which shall be granted on an application basis and following verification of the income of the families in which per capita income is below the subsistence level established on the given territory;

the linkage of the amount of the child allowance and the grants for students of technical schools and higher educational institutions with the subsistence minimum of the corresponding age category in order to raise their amount appreciably and prevent its real decline;

a tightening of the rules of the allocation of allowances and grants and the introduction of a linkage with aggregate family income.

TAXES:

A revision of the scale of the taxation of individual income to ensure that the proportion of taxes in the income rise in line with the increase in income, but not exceed the socially and economically justified maximum (50 percent);

the introduction of tax privileges for sponsorship and charitable activity;

a tightening of legislation in respect to the concealment of income from taxation.

B)The legislative enshrinement in budgets of all levels of expenditure on the upkeep of the social and cultural sphere in an amount no lower than the amount that had actually taken shape in 1992 and the imposition of a ban on the sequestration of these items of the budgets.

C)Completion of the work on the delineation of competence in the sphere of social policy between the federal and local authorities in order to arrive at the signing of a special treaty between the center and the components of the Federation on the principles, purposes, and mechanisms of social policy.

D) The reform of the organizational structures of the administration of social policy at the federal executive level. Under the conditions of the transition of the main functions pertaining to realization of social policy to the localities, this will require the creation in place of the present Ministry of Labor and Ministry of Social Protection of the Population of a Ministry of Social Policy with the following principal assignments:

participation in the formation of the social items of the federal budget in all phases of the budget process;

participation in the preparation of macro-economic solutions for forecasting and the prevention of their possible negative social consequences;

coordination of the work of specialized federal social services: employment, retirement, migration, youth affairs, veterans' affairs, handicapped affairs, and so forth.

Military & Space Issues

Voronezh Leader Scores Missile Firing Near Nuclear Plant

LD1403132295 Moscow ITAR-TASS in English 1256 GMT 14 Mar 95

[By ITAR-TASS correspondent Anatoliy Starukhin]

[FBIS Transcribed Text] Voronezh March 14 TASS—The accidental firing of a combat missile from a Su-25 aircraft near the Novovoronezhskaya nuclear power plant on March 10 has triggered a sharply negative reaction among the local population. They demand the liquidation of the air force shooting range, located near the nuclear power plant.

"A shooting range has no right to be next to a nuclear power plant and next to a city with a population of one million," ITAR-TASS was told by Aleksandr Kovalev, head of the regional administration. He noted that thousands of hectares of forests, including many that were planted and raised with great difficulties by the local population, were annually burnt down in the region as a result of shooting and bombing exercises.

Nuclear Submarine Launches Ballistic Missile 'Dummy'

LD1003144795 Moscow INTERFAX in English 1348 GMT 10 Mar 95

[FBIS Transcribed Text] Moscow, Mar 10 (Interfax)—On Friday at noon a nuclear submarine of Russia's Northern Fleet launched, without surfacing, a ballistic missile dummy, chief of the Russian Navy's General Staff Admiral Valentin Selivanov told Interfax.

At the expected landing time, the missile's combat units landed at the testing range on the Kamchatka peninsula, he said.

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Further on Missile Launch

LD1003154495 Moscow ITAR-TASS World Service in Russian 1509 GMT 10 Mar 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 10 Mar—In accordance with the Russian Navy's combat training plans, at 1201 today [0901 GMT] a missile-carrying submarine of the Northern Fleet carried out a training launch of a ballistic missile. The missile landed at 1235 in the preselected region on Kamchatka. ITAR-TASS was informed of this today by Admiral Valentin Selivanov, chief of staff of the Russian Navy.

He said similar training launches are carried out regularly in strict accordance with international accords and with prior notification being given to other countries.

A combat training launch of four U.S. ballistic missiles was carried out recently from a submarine in the Atlantic Ocean at the eastern test site of the United States.

New Air Defense Missile System Shown for 'First Time'

LD1003224995 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 10 Mar 95

[From the "Vremya" newscast]

[FBIS Translated Text] Today our colleagues from VoyenTV saw for the first time a new Russian air-defense missile system.

[Correspondent Igor Krondo] The main theme of the exercises carried out under the command of Andrey Kokoshin, first deputy Russian defense minister, and Mikhail Kolesnikov, chief of the general staff of the Russian Armed Forces, was to compare the actions of the most up-to-date air-defense missile systems. You are seeing these for the first time. Though there was no firing of the missiles at a test range in the Moscow oblast the exercises were as close as possible to combat conditions. The Russian air force planes simulated targets and tried to hamper the work of the air-defense missile systems by creating radio-electronic interference.

A wide range of actions against tactical and operational-tactical rockets were tested. The results of the exercises will be used for a new concept of air-defense missile systems in defending the airspace of Russia and its allies. [Video shows column of mobile missile launchers with radar equipment, heavy-duty trucks]

Kokoshin Says Country Needs New Armaments Program

LD1103204295 Moscow INTERFAX in English 1914 GMT 11 Mar 95

[FBIS Transcribed Text] SEVERODVINSK, RUSSIA, Mar 11 (Interfax)—Russia needs a new armaments program, First Deputy Defense Minister Andrey Kokoshin said on Saturday.

Such a program should be aimed at ensuring "reliable nuclear deterrence and the development of strategic nuclear forces, including their naval component," Kokoshin told Interfax in the northern Russian town of Severomorsk. As for the naval aspect of the program, "nonstandard ways" should be found to ensure "Russian presence in the world ocean," he said.

"The creation of essentially new precision conventional weapons, reconnaissance and target indication technologies and tactical-level communications in the land forces must be the main points of the program," the deputy minister continued. He said his ministry and research institutes were also looking for ways to bring Russian armor up to world standards, trying to introduce new materials to reduce its vulnerability to the minimum.

"That this task is as important as ever has been shown by the hostilities in Chechnya," he added.

Yet none of the Defense Ministry's proposals for funding manufacture of new armaments have been considered at "any of the governmental levels," Kokoshin complained. "It's pointless to build any hopes either on the (national) budget or on international loans. It's a stalemate," he concluded.

Further on Kokoshin Comments

LD1203094995 Moscow ITAR-TASS in English 0936 GMT 12 Mar 95

[By ITAR-TASS correspondent Vasiliy Belousov]

[FBIS Transcribed Text] Murmansk March 12 TASS—Russia's Northern Fleet will retain its powerful grouping of nuclear submarines, Russian First Deputy Defence Minister Andrey Kokoshin told ITAR-TASS.

Kokoshin arrived in Murmansk with a large delegation of military experts to attend to problems concerning repair and scrapping of submarines, and orders for ship-repairing plants.

Kokoshin said these problems would be soon discussed by the government.

According to the first deputy minister, military and civilian orders will be booked with all large military factories of the Murmansk region. A major role is promised for the Severodvinsk nuclear submarine building plant.

Kokoshin Visit to Northern Fleet Viewed

MM1403123495 Moscow KRASNAYA ZVEZDA in Russian 14 Mar 95 p 1

[Report by Andrey Garavskiy and Vladimir Gundarov: "Northern Fleet—the Naval Component of Russia's Nuclear Might"]

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[FBIS Translated Text] At the end of last week, Andrey Kokoshin, Russian Federation first deputy defense minister, was working in the Northern Fleet at the head of an interdepartmental group.

One of the main tasks for this group, which includes representatives of the Defense Ministry and the General Staff, the Navy High Command, the State Committee for the Defense Sectors of Industry and the Ministry of Atomic Energy, was to examine a whole range of issues relating to the full-scale scrapping [polnomasshtabnaya utilizatsiya] of nuclear submarines. This question will be examined in the very near future at a Russian Federation Government session.

A. Kokoshin also met with the commanders of a number of Northern Fleet units and ships, and visited its main bases. The first deputy defense minister together with Admiral Oleg Yerofeyev, commander of the fleet, presented state awards to officers, warrant officers, and able seamen from the Kirkenes Separate Marine Brigade, which distinguished itself during the operation to restore constitutional order in the Chechen Republic.

During the meetings questions of the preservation of the fleet's basic fighting core and the development of the entire system of provision for it—a system which for decades has been funded according to the residual principle—were discussed.

Despite the very acute position regarding the funding of defense needs, the ships of the Northern Fleet—both surface vessels and submarines—are constantly putting to sea for combat standby duty. They have put to sea 58 times since the start of 1995, despite the severe climatic conditions in the Arctic. On 10 March one of the fleet's strategic submarines carried out a successful test launch of a ballistic missile, which scored a direct hit on its distant target at a test range in Kamchatka.

The first deputy defense minister met with Yevgeniy Komarov, head of the Murmansk Oblast Administration, and Pavel Balakshin, head of the Arkhangelsk Oblast Administration. The administration heads expressed full support for the Defense Ministry's efforts to ensure the Northern Fleet's combat readiness and the normal functioning of the industrial enterprises meeting defense orders and implementing the effort to scrap nuclear submarines.

Andrey Kokoshin also visited leading Russian shipbuilders and ship repair yards such as "Sevmashpredpriyatiye," "Zvezdochka," "Nerpa," and the Navy's 10th Ship Repair Yard, and met with trade union leaders at naval ship repair yards. During the visit to "Sevmashpredpriyatiye" a discussion was held with a number of leading designers, scientists, and enterprise leaders about the prospects for the development of both strategic missile submarines and multirole nuclear submarines. Andrey Kokoshin noted in conversation with a KRASNAYA ZVEZDA correspondent that the naval component of our strategic nuclear forces should continue to play a large role in deterring aggression against Russia. The Navy as a whole should be among the highest-priority components of the safeguarding of Russia's national security, and an effective tool in its foreign policy as a great power.

'Minor' Fire Breaks Out at Baykonur Following Launch

LD1403102195 Moscow ITAR-TASS in English 1013 GMT 14 Mar 95

[By ITAR-TASS special correspondent Veronika Romanenkova]

[FBIS Transcribed Text] Leninsk (Baykonur Cosmodrome) April 5 [date as received] TASS—A minor fire flared up at the launching pad after the manned Soyuz TM-21 spaceship blasted off into space this Tuesday. The fire was caused by flames from rocket nozzles, which were veered by gale winds not to the gas duct but to launching equipment.

As a result, some equipment and cables were burnt down. Luckily, there were no casualties.

An officer of the Military Space Forces told ITAR-TASS that post-launching fires happen sometimes. However, their size and intensity depend on many factors, including weather.

North-eastern wind was so strong this time that it tore out and strew lumps of melted asphalt. Officers who watched the launching of the spaceship, noticed that it moved several seconds parallel to earth after the liftoff.

Nevertheless, specialists claim that the launching was successful, and the merit for this goes, above all, to the team of the Military Space Forces whose men and officers, apart from preparing the rocket for the launching with temperature dropping to minus 17 degrees centigrade, had to extinguish the fire.

Federal Assembly

Shumeyko Moves To Make President Permanent Council Member

LD1303133195 Moscow ITAR-TASS in English 1315 GMT 13 Mar 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow March 13—Vladimir Shumeyko has introduced a clause to the Federation Council bill, according to which the president of Russia would be a member of the upper house of parliament for life.

"The acceptance of such a clause would help boost the prestige of the president of Russia following the expiry of his powers. This is what is customary to take care of in

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countries with developed democracy," a spokesman at the legal department of the Federation Council has told ITAR-TASS.

In all, as of now, three bills about the Federation Council have been drawn up. It is unknown so far, however, which of them will be accepted by the State Duma as a basis for a further discussion.

Contrary to reports by some foreign media, the bill which has been drawn up with Shumeyko's participation does not suggest introducing the post of a senator for life for ex-president of the Soviet Union Mikhail Gorbachev. "We do not see any legal grounds for a Federation Council membership for the leader of the former country," the Council's legal department spokesman explained.

Yushenkov Says Resignation Issue 'Far From Being Closed'

LD1303134195 Moscow ITAR-TASS in English 1224 GMT 13 Mar 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow March 13 TASS—In an ITAR-TASS interview on Monday, Sergey Yushenkov, chairman of the State Duma Committee on Defence, said he would comply with the decision of the Russia's Choice faction in the Duma and would continue to perform the duties of the panel chief. "But the resignation issue is far from being closed," he added.

Last Friday [10 March] Yushenkov announced his intention to resign from the post of the committee chief as a token of protest against the Duma decision which had cancelled the appointment of Sergey Kovalev as Russia's human rights commissioner.

At an ensuing meeting of the faction, at which not all members were present, Yushenkov's intention to resign was supported at first. However, later on, when the faction met in a broader format, those present censured the move and requested him to remain at his post.

Faction leader Yegor Gaydar stated at the meeting that Yushenkov's intention to resign would become "the best present to the opponents of Russia's Choice. Another member of Russia's Choice, Georgiy Zadonskiy, pointed out that even when only three days remain before the expiry of the Duma powers, Yushenkov should not resign his post, thereby preventing "Vladimir Zhirinovskiy's supporters, of whom there are four in the committee together with the LDPR faction leader, from gaining additional levers for putting pressure on the Defence Ministry".

Yushenkov emphasised at the same time that the issue concerning his resignation was far from being closed. His opinion is that at the nearest plenary meeting of the Duma the opponents of Russia's Choice will return to the discussion and will possibly muster a sufficient number of votes to achieve resignation of the defence committee chief.

Aleksandr Yakovlev Hits Call To Nationalize TV Companies

MM1403115395 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14 Mar 95 p 2

[Interview with Aleksandr Yakovlev by Dmitriy Babich; place and date not given: "Aleksandr Yakovlev: 'I Will Quit. The Duma Rostrum'"—first paragraph is introduction]

[FBIS Translated Text] During Friday's [10 March] Duma hearings on the question of television our correspondent asked Aleksandr Yakovlev to comment on the current situation in television.

[Babich] Aleksandr Nikolayevich, what is your view of the draft law that has been put forward by the LPDR [Liberal Democratic Party of Russia] whereby all the present private television companies should be nationalized?

[Yakovlev] Actually let us nationalize everything; this democracy and freedom have gotten on our nerves. What possible view can you take of this. A negative one of course. This constitutes an attempt to turn back the clock to the days when it was decided "on high" what to show and how to show it.

[Babich] Who will head the new "Russian Public Television."

[Yakovlev] The board of directors has not yet decided who will replace Listyev. I can say one thing for sure; there will be no advertising on the new television channel. Thus we will cut out 2,500 "agents" who have "latched on" to Ostankino advertising over the last few years. [Yakovlev ends]

The debate was heated. So Yakovlev's patience finally snapped: "Another question about conscience and I will quit this rostrum. I have a far clearer conscience than some of you."

Duma Vote Against TV Nationalization Examined

LD1303192495 Moscow ITAR-TASS in English 1738 GMT 13 Mar 95

[By ITAR-TASS correspondent Tamara Ivanova]

[FBIS Transcribed Text] Moscow March 13 TASS—On Friday, the State Duma was only 28 votes short to pass a resolution on nationalisation of the Russian Television motioned by Vladimir Zhirinovskiy, the ultranationalist leader of the Liberal Democratic Party.

Zhirinovskiy said his initiative sought "a velvet march revolution".

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While telegraph and banks were priority targets for seizure by Bolsheviks in 1917, the 1991 pro-communist coup and the parliament- orchestrated armed assault at the Ostankino television tower in 1993 are well descriptive of Russia's fates with electronic media controlled by a communist-dominated Russian Parliament.

Zhirinovskiy contended that the "velvet" seizure of the television was to do away with what was behind the slaying of Russian Television journalist Vladislav Listyev and bring order to financial activities of federal television channels.

Zhirinovskiy did not bother to conceal, however, that the elections ahead are the motive for imposing controls on the television for 1.5 years for "observing a truly democratic election procedure".

Chairman of the Russian State television and Radio Company Oleg Poptsov said one should not be lulled by the proclaimed goals and time limits of control. Poptsov also voiced surprise that the parliament was oblivious of the cost of nationalisation which, at conservative estimates, is seven to eight trillion roubles. The company chairman described the Friday debate as another "purely Bolshevik-style attempt to seize control of the television" without assuming any financial responsibility.

Chairman of the Russian Federation Council, or the upper parliament house, Vladimir Shumeyko, who is on a visit in Kurgan, told a news conference today that he disapproved the idea of television nationalisation and saw the freedom of media as one of principal gains of democracy.

Chairman of the State Duma information policy and communications committee Mikhail Poltoranin said only the judicial power might control the television. Poltoranin reminded that the State Duma a month ago had passed a resolution on the right of Russians to true and complete information under Article 29 of the Constitution.

The resolution stipulates, among other things, the setting up of an extensive network of independent television and radio companies and of a legal, economic and political basis for their independent functioning. Any attempt to impose controls contradicts that resolution, Poltoranin said, in addition, Poltoranin is sure that even if the State Duma passes the resolution introducing television control, the president will veto it.

However, the resolution appears to be stuck so far, and the Duma limited itself to directing a financial probe into the Ostankino Television Company.

The company's First Deputy Chairman Gennadiy Shevelev told ITAR- TASS that the leadership of Ostankino is calm on the forthcoming probe, although it interferes with normal work. In addition, a similar probe was conducted in the company a few months ago.

Poptsov on TV Financing, Chechnya Coverage

LD1003222095 Moscow INTERFAX in English 1923 GMT 10 Mar 95

[FBIS Transcribed Text] Moscow, Mar 10 (Interfax)—The low financing of the Russian State Television and Radio Broadcasting Company (RSTRBC), to which a mere 5 billion rubles out of a needed 143 billion rubles are planned to be channelled in 1995, means that it must be turned into a joint-stock company, RSTRBC Chairman Oleg Poptsov told the State Duma during the "government hour" Friday.

According to Poptsov, only 57% of budget allocations were actually channelled to the company in 1994. He regarded this as the implementation of the "concept for the destruction of the state television" in the country.

Since its creation, the RSTRBC has been operating as a state-run television and radio broadcasting company, Poptsov said. It did not opt for being turned into a joint stock company even when another major TV company, Ostankino, did so. At the same time, it is impossible to cover the deficit by commercial advertising in as profits from this equal a mere 5.1% of the promised budget funds.

Answering deputies' questions, Poptsov refuted allegations of "dishonest covering" of events in Chechnya, saying his company sought to ensure that the entire spectrum of points of view is represented. He emphasized he personally did not associate fascists with communists and vice versa, but could "not prevent politicians from making such points of view on the air."

Poptsov categorically objected to the deputies' intention to make his company accountable to the parliament.

Ostankino Chairman on TV Funding Problems

LD1103224095 Moscow Mayak Radio Network in Russian 1544 GMT 10 Mar 95

[FBIS Translated Excerpt] There were very heated debates at the State Duma today on the subject of television companies. At the suggestion of Liberal Democratic Party of Russia leader Vladimir Zhirinovskiy, the deputies even made the decision to debate nationalizing television as a whole. But first they heard the directors of Ostankino and Russian Television and Radio broadcasting. Aleksandr Nikolayevich Yakovlev, chairman of the Ostankino Television and Radio Company, was to the point:

[Begin Yakovlev recording] Today we are living through a period of transition. It is very difficult and painful. In the past year 1,750 people lost their jobs. Nonetheless, the process is under way and there have been no particular rows, if there have been any at all.

Ostankino is now setting up a number of independent studios. We want them to exist and work independently. However, for a number of international reasons, the

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sports studio must be left alone. And out of financial considerations we will probably be asking the government to fund the folk art studio. Ostankino retains four radio channels which are now threatened with cuts. Roughly half their broadcasting is at stake. In the main, we are talking about Mayak and even Yunost.

Broadly speaking then, if the Duma does not change its decision and fails to give us the money to maintain state radio...[sentence unfinished as heard] As far as Ostankino is concerned, why has the question of its privatization arisen? This constant petitioning for money for each quarter, this having to prove that the country needs to have a television service is tedious, to put it quite mildly.

And then, too, both the government and the esteemed Duma have this year, like last year, taken, to put it mildly, an extremely flippant attitude toward funding Ostankino and the other channels. While the Ostankino company required 943 billion rubles [R] in 1994, the State Duma approved R 508 billion and the amount actually given was R 453 billion. If we had not made use of advertizing there would have been only five to six hours of broadcasting a day.

The requirement this year was just over R 2,000 billion—television required R 1 trillion, while radio required R 812 billion. The Duma approved R 175 billion. We received R 20 billion in the first quarter. I wonder who can explain to me how we can continue to exist and maintain television and radio services on that sort of money? Clearly there will have to be cuts. You will getting letters from Orfey, from Mayak, from Yunost, and so on and so forth, because we are going to have to cut them by half.

And thus [passage indistinct] that we would have to privatize. A privatization whereby the state retains the decisive package of shares. And that is what has happened. The state retains 51 percent and the shareholders receive 49 percent. We have delegated the percentages in the state's package—for instance, Ostankino's nine and TASS's three—to the State Committee for the Management of State Property in order that the Committee deal with that 51 percent, in accordance with the trust agreement.

Furthermore, the regulations stipulate that none of the shareholders has the right to sell any share without the permission of the council of directors and without the permission of the government. [end recording]

In a long and frank talk, Aleksandr Yakovlev replied to literally every question. And the deputies' emotions subsided. They did not return to the subject of nationalization and it was decided to allow Ostankino a special means of privatization. As you heard, our own Mayak was included in the discussion. [passage omitted]

Marchyev Breaks With LDPR State Duma Faction

LD1103095695 Moscow ITAR-TASS in English 0905 GMT 11 Mar 95

[By ITAR-TASS Parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow March 11 TASS—Vyacheslav Marychev, member of the State Duma, who is known for his numerous extravagant acts in the lower house of the Russian parliament and at Duma press conferences, declared on Friday his withdrawal from the Liberal-Democratic Party [LDPR] faction. This declaration is contained in a statement which he handed to Duma Speaker Ivan Rybkin.

The MP did not give any concrete motivations of his action.

However, the press service of the Liberal-Democratic Party faction has released a statement, saying that Marychev was expelled from the Liberal-Democratic Party of Russia and from its Duma faction "for anti-party activities and for violating the faction's disciplinary rules, for his inability to engage in normal law-making endeavours". The statement mentions Marychev's "constant clownery" at plenary meetings of the State Duma, his "sarcasms, his extravagant clothes (bullet-proof vests, flashy jacket and hats)...". "It is high time for him to forget about his abortive theatrical career," the document says.

Attempts To Form New Duma Factions Viewed

MK1003114595 Moscow OBSHCHAYA GAZETA in Russian No. 10/86, 9-15 Mar 95 (Signed to press 9 Mar) p 8

[Nikolay Troitskiy report in the "Under the Rug" column: "Intraspecies Selection in the Duma"]

[FBIS Translated Text] With the onset of spring, Duma factions have entered a period of active reproduction. According to one version, the lawmakers were fertilized from the Kremlin; according to another, they began the procreation process by way of parthenogenesis—without participation of outside forces. Nobody was "holding the candle," and therefore reliable information gives way to rumors and gossip. Yet the chances are that this is in fact the cross-pollination of the power branches.

On the one hand, Georgiy Satarov, presidential aide, and Andrey Loginov, head of a presidential staff department, who are responsible for liaison with parliament, recently took a group of "democratically oriented" deputies to an out-of-town government dacha where, not stinting promises, they sought to coerce people's deputies to create a faction of "neo-Yeltsinites." On the other hand, within the Duma there are enough people today who are not contented with the role their factions have in big-time politics and who are therefore inclined to interfactional adultery.

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Be that as it may, four "embryos" of potential deputies' groups have emerged today. Not all of them are destined to come to maturity: For each group to obtain registration, 35 members are needed, while there are not 140 "free-lance" deputies in the Duma. Therefore the faction which CIS Affairs Committee Chairman Konstantin Zatulin is trying to form is most likely doomed to death in the womb. He fell out with his boss Sergey Shakhray back last year but has not so far managed to gather the requisite amount of supporters around himself.

The other three "embryos" will still fight a little for survival. These are the Duma-96 group, which has already publicly announced its birth, headed by Vladimir Bauer, who was ousted from Russia's Choice; and Vladimir Kvasov, former government chief of staff; the group Stability, which is quite openly being organized by former Russia's Choice members Viktor Mironov and Aleksey Aleksandrov; and finally, the Rossiya group, which is still underground, where the lead roles are also played by former Russia's Choice members Aleksey Golovkov, who, incidentally, was also chief of the government apparatus in his time, and Viktor Davydkin; and PRES [Party for Russian Unity and Accord] member Igor Shichanin, who earlier worked in Aleksandr Shokhin's apparatus. It is noteworthy that the contingent of the nascent intra-Duma formations is 100 percent constituted by deputies of so-called "democratic" factions and the "centrist" New Regional Policy group. Neither Zhirinovskiyites, nor Communists, nor Agrarians are taking part in this process.

Stability was the first to emerge. As Viktor Mironov explained to OBSHCHAYA GAZETA's correspondent, their group was formed on the basis of unconditional, unqualified support for Yeltsin and discontent with the "renegade" nature of current democrats who disagreed with the president over the Chechnya war. Mironov assures us that they have united exclusively on their own initiative and in an absolutely selfish manner. Originally there were 42 members (which would have been more than enough for registration) but then intrigue began. Stability founders insisted on the full equality of all group members: There are no leaders or co-chairmen in the group. According to Mironov, some "aspirants to leadership" did not like this, and they began to "make trouble." Some of the "stabilizers" were summoned by Vladimir Astapchenko, chief of the government apparatus department for liaison with the Federal Assembly, who sought to persuade them to join other factions. Mironov had "a sharp conversation" with Astapchenko but this did not help and the Stability membership began rapidly to fall.

Having polled a number of Mironov associates, OBSHCHAYA GAZETA's correspondent found that the above mentioned Shichanin and Golovkov were among the "troublemakers/schismatics." Having destabilized Stability, they went ahead with forming their own organization. The most curious part is that neither Shichanin nor Golovkov have so far quit their former factions and officially deny their involvement in factional reproduction. Even so OBSHCHAYA GAZETA is in possession of reliable evidence about their organizing activity. Aleksey Golovkov, in a conversation with OBSHCHAYA GAZETA's correspondent, indirectly confirmed rumors on this count, stating that "the Duma is restructuring, and soon the margins will fall away and a new constructive center will be formed within it."

It has been suggested in the press that the creation of a new faction is the work of presidential structures, preparing a new support base for their boss in parliament. But on which of the three groups does the president intend to lean? All their leaders categorically deny Kremlin interference. At the same time there are not a few deputies in the Duma who say that attempts were made to recruit them into a "pro- presidential" group, with promises of financial and organizational assistance in future parliamentary elections. Golovkov also admitted these facts but, according to him, staff officials have tried to interfere in the "natural process" in order to speed it up and "have thus spoiled everything, alienating many potential candidates."

Responsible sources in the Duma confirmed that everything began with the crisis within Russia's Choice and the Shakhray PRES faction. Many of their members felt that the leaders—Yegor Gaydar and Sergey Shakhray—were losing credibility. And elections were just around the corner and careers were in question. They tried to organize themselves and began to test the Kremlin ground. This delighted Satarov and Loginov, who found themselves some good work to do. But then a leak occurred and the group began to fall apart. Furthermore, Mironov and his associates from Stability proved to be too drastic radicals and proponents of a strong state, which also frightened away some people. Others, like, for instance, former Democratic Party member Aleksey Leushkin, expected immediate material benefits but they did not materialize. The "neo-Yeltsinites'" cause became compromised.

Then the most serious-minded, such as Golovkov and Shichanin, broke away from their frivolous associates and started their own undertaking. Sources in Russia's Choice assured OBSHCHAYA GAZETA's correspondent that Golovkov is backed by some banks and financial groups. Golovkov works in a subtle manner, shuns any publicity, and either does not advertise his links with the Kremlin or deliberately distances himself from the Yeltsin team.

Now all three groups have run into problems with their membership, especially since many names on all three lists coincide: The deputies are in no hurry to make up their minds; they want to make "the most correct" choice. Rivalry has intensified among them and in the lobbies they engage in active smear tactics, with "Kremlin corruption" being the keynote.

Possibly none of the new factions will succeed, but this is not so important after all. Chances are that neither the

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passions running high in the Fifth Duma nor the upcoming elections to the Sixth Duma will affect big-time Russian politics. The next presidential elections are another matter, though. But preparations for them proceed in other offices and other corridors.

State Duma Defeats Senate's Veto on Criminal Codes

LD1003145895 Moscow INTERFAX in English 1348 GMT 10 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 10 (Interfax)—Russia's State Duma has repeatedly considered the decree on amendments and changes to the Criminal and Criminal-Proceeding Codes due to the fact that the Federation Council has declined this decree.

The State Duma disagreed with the decision of the upper chamber of the Federal Assembly and unanimously voted to adopt this decree in the previous edition (as many as 336 deputies voted for it, the quorum being 300 votes). The decree will be forwarded to President Boris Yeltsin, bypassing the Federation Council, for signing.

The decree supplements the Criminal and Criminal-Proceeding Code with a new article which provides for responsibility for "organization or participation in illegal armed formations."

Chairman of the State Duma Security Committee Viktor Ilyukhin pointed out that the initiative to supplement the acting legislation by this article belongs to the LDPR [Liberal Democratic Party of Russia] faction.

In accordance with the new legal norm, organization of armed formations and participation in them will be punished by a 8-year imprisonment. Deliberate actions connected with mass violence, death of people, or infliction of any other damage are to be punished by 5-15 years of imprisonment or death penalty. A person who voluntarily leaves armed formations and surrenders arms is free from criminal persecution.

As Ilyukhin pointed out, declining this decree on February 8 the Federation Council failed to precisely ground its position.

Duma Considers Annulling Moscow's Capital Status

MM1303114795 Moscow IZVESTIYA in Russian 11 Mar 95 p 1

[IMA-PRESS report: "Moscow Still the Capital"]

[FBIS Translated Text] On 10 March the Duma examined the question of moving the capital from Moscow to another city (exactly which one was not specified). The decision has been voted down for the time being—103 of the required 226 deputies voted for it, IMA-PRESS reports.

Regional Affairs

Reportage, Commentary on Conflict in Chechnya

Chechens Repel Attack Southeast of Groznyy

AU1303120395 Paris AFP in English 1141 GMT 13 Mar 95

[FBIS Transcribed Text] Shali, Russia, March 13 (AFP)—Chechen fighters repelled a Russian attack at the front south east of Groznyy, an official press spokesman announced on a Chechen local radio.

Ten Chechen fighters were wounded and one killed repelling the Russian advance, an official announcer said after interrupting music programming on the local radio station here.

The announcer, Sharpudi Ismailov, called for residents of Shali, which Chechen separatists now regard as their capital, to bring food and medicine to the wounded at hospital here.

Ismailov said that several Russian armoured vehicles were destroyed as Chechens drove back an advance at Chechen Aul, a village 10 km south east of Groznyy and the site of a strategic, Russian-occupied crossroads.

Russians have been pressing southward since completing the encirclement of Groznyy in February.

Long-range artillery fire could be heard from the direction of Chechen Aul and the nearby Chechen stronghold of Argun overnight Sunday and Monday morning.

More on Fighting Southeast of Groznyy

LD1303212695 Moscow Radiostantsiya Ekho Moskvy in Russian 2040 GMT 13 Mar 95

[FBIS Translated Text] Russian forces today mounted an offensive southeast of Groznyy, AFP reports. According to the agency, the forces tried to make a forced crossing of the River Argun, but, meeting with fierce resistance, were forced to pull back to their initial positions. In the course of the day, wounded Chechen fighters arrived in the hospital in the town of Shali.

Section of Rostov-Baku Highway Secured

LD1303183795 Moscow Mayak Radio Network in Russian 1800 GMT 13 Mar 95

[FBIS Translated Text] After firing artillery at fighters' strongholds, subunits of the internal troops of the Russian Ministry of Internal Affairs and special purpose detachment took control of the motor roadbridge over the River Fartanga in Achkoy-Martan district today. There are no losses among the personnel. ITAR-TASS was told this today by a spokesman of the public relations center of the Minister of Internal Affairs of the Russian Federation in Mozdok. He said the capture of

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this strategically important point provides the possibility of unobstructed travel on a big section of the Rostov-Baku highway.

Press Center: Situation Remains 'Difficult'

LD1403091695 Moscow ITAR-TASS in English 0845 GMT 14 Mar 95

[By ITAR-TASS special correspondent Sergey Ostanin]

[FBIS Transcribed Text] Mozdok (North Ossetia) March 14 TASS—The situation on the territory of the Chechen republic remains difficult. ITAR-TASS was told today at the press centre of the command of the joint group of federal forces that Dudayev's unlawful armed gangs tried last night to resist the advance of federal troops in the southern and south-eastern directions from Groznyy.

For instance, Dudayev's men put up stiff resistance during the fighting for a bridge south of Chechen-Aul. They also tried to recapture some dominating heights south of the village of Komsomolskoye. The command of the unlawful armed gangs is pulling up reserves to reinforce the units resisting the federal troops and to recapture the lost territories.

According to officials of the press centre, Dudayev's fighters are particularly eager to retain their control over roads around the towns of Argun and Gudermes in order to be able to rush reserves and materiel, to quickly deliver weapons and ammunition to the needed spots. Armoured vehicles are being used for this purpose to patrol the territory around these towns. Press centre officials believe the Chechen field commanders will continue to build up defence areas in the western, eastern, and south-eastern parts of the republic.

Officials of the press centre said that the federal artillery had provided battlefield illumination, fired harassing salvoes, and dealt blows at the enemy whenever necessary. For instance, it shelled concentrations of Dudayev's men and materiel around Argun, Meskert-Yurt, Komsomolskoye, Chechen-Aul, and Belgata. Moreover, fire support was given to federal troops near Chernorechye, Chechen-Aul, and Novaya Atagi.

Dudayev Cited on Suicide Squads, Infiltration

MM1403114595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14 Mar 95 pp 1, 2

[Interview with Chechen Republic President Dzhokhar Dudayev conducted by correspondent Aleksandr Yevtushenko; place and date not given: "Dzhokhar Dudayev: 'The Chechen War Will Come to Your Homes, Too!'"—first four paragraphs are introduction]

[FBIS Translated Text] Our correspondent, Aleksandr Yevtushenko, has succeeded where military intelligence, the MVD [Internal Affairs Ministry], and the Federal Counterintelligence Service have failed—he not only tracked Dzhokhar Dudayev down but also obtained an exclusive interview with him. While not agreeing very much with the ex-general's statements, we nevertheless publish the conversation virtually without abridgment.

A reward has been promised for information concerning the Chechen president's whereabouts. A special operations group has been hard-pressed to find Dudayev. The slightest hint of his presence in a settlement has resulted in massive artillery bombardment. I managed to locate Dudayev only with the help of former, prewar, contacts among his entourage.

A small Chechen settlement. A respectable-looking dwelling on its outskirts. It is late evening. Artillery fire can be heard nearby. We are drinking tea while waiting for the president. The gates fly open and three vehicles enter the courtyard: Two Nivas and a foreign vehicle. Armed men appear in the house. The doors of the room are closed fast. And a few minutes later I am informed: The president is waiting for you.

In an adjoining room Dzhokhar Dudayev sits behind a table, with a lighted candle on it (there has been no electricity in the settlement for several weeks). He is wearing an officer's flak jacket and the inevitable field service cap. He is alive and well.

[Yevtushenko] Dzhokhar Musayevich, your son has been wounded in the fighting. Your cousin has been arrested. There is much rumor about your having spent a long time out of the country or, at any rate, outside the republic. How have you managed to elude your pursuers?

[Dudayev] My son was indeed wounded. But he is already restored to health and back at the front line. I just cannot imagine why they should have taken my first cousin. He has been a tractor driver all his working life. But the special services are now reporting that they have captured Dudayev's cousin. They also "visited" my house in Groznyy: They took away my personal archives and my dress uniform. I myself don't know how they haven't caught me yet. What's more, wherever I am always comes under the very heaviest attack. This is clearly due to traitors from the so-called opposition. Having ascertained this pattern, I deliberately make it possible for people to find out where I am. And I go to places where civilians cannot suffer because of me. I have had to put my life on the line here. All around there are explosions, a hell of a din, and the earth shaking. Of course, I do take certain measures to protect myself. It would be stupid to let the bombs just fall on me. I choose an underground bunker or sometimes just a foxhole.

[Yevtushenko] Many journalists remember the first air raid on the center of Groznyy. It was just as you were giving a news conference. Did you think at the time that events would develop in such a way.

[Dudayev] I remember that moment too: All the journalists were under the table in a trice. But I didn't think at the time that the military were capable of such

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savagery toward the population. I expected all kinds of treachery from the politicians—they had accustomed us to it during four years. But in the Soviet Army there were always concepts of honor and conscience and concern to protect the population and the fatherland. Today everything has undergone a sea change. Killings are passed off as heroism, looting as valor. And decorations are handed out for this. I met with a little girl in hospital yesterday. Both her legs had been blown off by a bomb. Her mother and older sister had been killed. What kind of combat mission was that pilot flying when he bombed a peaceful settlement? Was it ordered?

Their killing Chechens, that can still be understood. But to kill Russians, Ukrainians, Jews, Armenians... They destroy mosques. We find maps on captured officers on which mosques are marked with crosses. But, you know, they also fire on churches, where the most defenseless people take refuge from the shelling. If just one soldier in my division were even to contemplate this, I'd regard it as a tragedy. But now.... What the army is doing in Chechnya is not war but genocide. Everyone screeches at the top of their voice: "Dudayev has an 80,000-strong army, he has done nothing but prepare for war!" We only had three subunits, and they were in an embryonic state. It's all bluff. They are not fighting an army but a people.

[Yevtushenko] But an armed people. And the Chechen weapons whose provenance is a great talking point at every level.

[Dudayev] Although I have had no sympathy whatsoever with the military in recent times, the top military leadership—I'm thinking here of Grachev and Shaposhnikov—is not to blame for the appearance of a host of weapons in the republic. The decision to issue weapons and military equipment to Chechnya was made by the top political leadership of Russia.

When the troops withdrew from the republic we had a mutual understanding with both Shaposhnikov and Grachev. I had proposed: Let the troops remain and we will create a single defense system and draft people into the army from both sides. If you don't want that, then pull the subunits out in a well-organized way. But, speaking with one voice, the top political authorities and the special services prepared the complete destruction of the structure of the armed forces here. And they all engaged in the feverish sale of weapons. I wrote a protest at the time to General Prosecutor Stepankov and instituted a number of criminal proceedings. But meanwhile material assets were being destroyed in the military camps. Food and ammunition stores were going up in flames first in one place then in another. I sold sugar to the military at 3.2 rubles [R] when it was already costing R17 in the stores. But hundreds of tonnes of sugar from army reserves had fuel oil poured on it and was torched. I gave the army 37 KamAZ trucks to ship out air-defense material and technical support facilities. It was purpose-built equipment, after all. But they stripped it down and dumped it. And loaded up 11 trucks with their own goods and chattels and pulled out. That's how the troops left Chechnya.

The main arms and military equipment were brought here later, and this was done under government cover by those who conceived the idea of destroying our state system: Shakhray, Yegorov, and Filatov. And their favorites—Zavgayev and Khadzhiyev. A program for the violent overthrow of power in the Chechen Republic appeared on 23 February 1994. And R150 billion and $500 million were earmarked for it. The bulk of this money was allocated to the opposition to buy weapons. And quite of lot of these were later bought up by us. But I won't hide the fact that we have also purchased weapons and munitions from the Russian Army during the war. Much has been seized during the fighting, they're captured weapons. I won't say that I can now arm all Chechens who want to fight for their independence. But we do have the means to fight.

[Yevtushenko] With the onset of the hot weather your detachments will head into the mountains to wage guerrilla operations. But a decision to pursue combat operations outside Chechnya and to set up suicide squads to carry out sabotage activities in Russian cities was made at the last congress of the Chechen people, in the city of Shali. Will your armed forces become a second Irish Republican Army—a terrorist army?

[Dudayev] I am poorly acquainted with the IRA's structure. Indeed, the main thing is to carry the war into the enemy's territory. And this movement is already developing spontaneously. Suicide squads are setting themselves up of their own volition. They are comprised of people who are prepared to die to revenge the children and relations who perished in the bombing. When they infiltrate Russian cities, innocent people could suffer. We do, however, have the details of the specific individuals to blame for the deaths of thousands of peaceful Chechens. And we want to somehow organize their trial.

[Yevtushenko] The establishment of religious courts is also a means of countering lynch law, is it not?

[Dudayev] It is. There are quite a few traitors in Chechnya at whose behest the carnage was initiated. People who are now on the enemy's side. Their people won't forgive them. The system of legal proceedings in the republic has been destroyed by the war. But the activity of religious courts, which are headed by the elders and spiritual authorities, is possible in every rayon. They have the power and are entitled to judge every kind of collaborator with the full rigor of the law.

[Yevtushenko] And one last thing. How do you feel now as president, general, or as an individual having no fixed place of residence?

[Dudayev] As the human rights champion Sergey Kovalev once said about me: "His policy is, of course, clumsy." That is possibly the most accurate definition. I

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am not a politician. I am a citizen of my republic. But I am the lawfully elected president. And I will remain so until the next elections. I do not regard myself as a great military leader. Rather, I am now more a private than a general. But I do have a fixed place of residence. That is my homeland.

Maskhadov Cited on Conditions for Talks

MK1403114095 Moscow SEGODNYA in Russian 14 Mar 95 p 2

[Report by Alina Gracheva under the "War" rubric: "Chechens Say They Are Ready for 'Real War' but Want Peace. Aslan Maskhadov: Dudayev Could Have Amazed Russian Emissaries With His Tractability"]

[FBIS Translated Excerpt] The war in Chechnya, which, the Russian side thinks, is now over, and which, from the Chechens' point of view, has never begun, is in reality continuing and becoming ever more cruel and senseless every day.

The Chechens are getting ready for the "spring-summer season" proceeding from Dzhokhar Dudayev's statement to the effect that this has been no war so far but the Young Pioneers' "Zarnitsa" game, and that genuine war is to start any time now. The Russian troops draw the line at controlling the territories they have reached while conducting systematic bombardment of supposed militia positions. [passage omitted]

Shali, where the Chechen armed forces headquarters is located, is being subjected to daily bombardment by "Grad" and "Uragan" multiple launchers and to air raids using spherical-projectiles and cluster bombs, whose use your SEGODNYA correspondent confirms. It is because of the concentration there of the majority of the militia officials that the town was declared Chechnya's new capital at the congress that convened in the town's mosque 9 March and which was attended by top-ranking members of the Chechen government, including Dzhokhar Dudayev. The Congress was interrupted by yet another air raid and its participants were evacuated. [passage omitted]

Weary of the three-month war, the population of Chechnya is hoping for its speedy end. Hoping for the same, as he himself has said, is Aslan Maskhadov, the Chechen armed forces staff commander. "In addition to the unresolved military questions which I have been empowered to solve and which I am going to solve, there remain political questions which our president is empowered to solve," said Mr. Maskhadov in a SEGODNYA interview 12 March. Mr. Maskhadov thinks that if the Russian side agrees to conduct talks on the presidential level, "they will be amazed at what advantageous terms Dudayev will propose to them." The war, however, goes on and takes on increasingly ugly forms.

Groznyy Railway To Be Restored by Mid-April

LD1303203795 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 13 (Interfax)—The Groznyy interior city railway communications will be restored by mid-April, paving the way for shipments to the Chechen capital of cargoes and humanitarian aid when communications are switched on to the external railway network, Russian Deputy Railway Minister Oleg Moshenko told Interfax today on his return from Groznyy.

He said the complex situation around Groznyy made the term for restoring the railway communications with Groznyy unclear. He said military actions hindered the start of work to repair three bridges in the Sleptsovskaya-Groznyy region and the bridge across Terek near Gudermes.

About 1,000 Groznyy railwaymen are now clearing the tracks of debris. The contact network, traffic lights and switch crossings were destroyed in the town as well as the railway station, the locomotive shed and car shop and technical services. Railway cars, tanks and railway cocks were hit during military actions and require repair. The Russian Railway Ministry said 400-500 billion rubles would be required for restoring Groznyy railway communication and services. This is about a half of the total sum the Railway Ministry requires for restoring Chechen railway communications.

Abdulatipov Outlines 3-Stage Peace Plan

LD1303211495 Moscow ITAR-TASS in English 1721 GMT 13 Mar 95

[By ITAR-TASS correspondent Andrey Serov]

[FBIS Transcribed Text] Moscow March 13 TASS—A conference "peaceful initiative in Caucasus" which is due to be held in Moscow on Tuesday, will consider a plan of a stage-by-stage settlement of the Chechen conflict.

A draft of this plan was prepared by an expert group headed by Ramazan Abdulatipov, deputy chairman of the Federation Council of the Russian Federation.

Invited to participate in this conference are deputies of the Federal Assembly of Russia, representatives of the government and the administration of the president of the Russian Federation, a number of social movements and religious confessions, a delegation of the Chechen Republic and leaders of subjects of the Russian Federation. The conference will be held in the building of the Federation Council in Tsvetnoy Boulevard in Moscow.

This forum is called upon to unite efforts of those "who are looking for the ways of the settlement of the Chechen crisis with the least losses", Ramazan Abdulatipov said at a meeting with journalists today.

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The plan proposed by him determines three stages of the settlement of the conflict. At the first stage (March-April), vice-speaker considers it necessary, in particular, to stop rocket and bomb strikes, exclude the deployment of tanks and other heavy military hardware. All hostages and prisoners of war must be returned. Illegal armed formations must be disarmed and disbanded with the observance of guarantees for their participants.

The second stage (April-May) envisages the establishment of temporary bodies of power on the Chechen territory while at the third stage (May-July) it is planned to hold elections to bodies of state power and local self-government.

The deputy chairman of the Federation Council informed that a group of deputies of the State Duma headed by Sergey Kovalev, is likely to speak at the conference with a different version of a plan of the settlement of the conflict.

The difference of their draft plan is in a proposal to divide Chechnya into several sectors depending on who is controlling the situation there. According to Ramazan Abdulatipov, such a measure would lead to the "continuation of the tragedy of the Chechen people".

It is planned that the conference will also consider and adopt an appeal to the peoples of the North Caucasus which will outline the main points of a peaceful plan.

Abdulatipov Says Federal Forces 'On The Make'

LD1303121695 Moscow Russian Television Network in Russian 1100 GMT 13 Mar 95

[From the "Vesti" newscast]

[FBIS Translated Text] At a meeting with journalists today attended by our correspondent, Ramazan Abdulatipov, deputy speaker of the Federation Council, made a number of fairly sharp remarks. According to Abdulatipov, the administrative border between the Chechen Republic and Dagestan is not being controlled by the Federal armed forces and borderguards. All representatives of the Federal services and ministries working in this region are, according to Ramazan Abdulatipov's impression after meeting local people during his recent trip to the region, on the make. Ramazan Abdulatipov plans to meet General Nikolayev, the head of the Federal Border Service, about this.

Abdulatipov went on to say that the so-called joint Federal armed forces are not actually that—this is because Colonel General Kulikov does not have the appropriate powers.

Kokoshin Guarantees Benefits for Veterans

LD1103201695 Moscow ITAR-TASS World Service in Russian 1448 GMT 11 Mar 95

[By ITAR-TASS correspondent Vasiliy Belousov]

[FBIS Translated Text] Murmansk, 11 Mar—All participants in the operation to restore constitutional order in the Chechen Republic must and shall receive benefits equal to those of veterans of the Afghan war, said Andrey Kokoshin, first deputy minister of defense of the Russian Federation, today. He was speaking at the welcoming ceremony for marines of the Northern Fleet returning from Chechnya.

Andrey Kokoshin noted the high martial skill of the marines and their courage and bravery displayed while fulfilling missions of the command. Together with Fleet Commander Admiral Oleg Yerofeyev and Murmansk Governor Yevgeniy Komarov, he presented orders and medals and also valuable gifts to paratroopers who distinguished themselves in the fighting.

At today's meeting in the marines' garrison, journalists finally learned the precise figure of sailors of the Northern Fleet who have taken part in the Chechen events. There were 1,013 of them, which is considerably more than the figures previously reported by representatives of the mass media. In street fighting in Groznyy and its suburbs, 54 marines of the Northern Fleet were killed and 184 were wounded. All the paratroopers were presented with state awards.

Bashkortostan Electoral Commission Said 'Padding' Results

MK1003125095 Moscow SEGODNYA in Russian 10 Mar 95 p 2

[Report by Yelena Tregubova under the "Voting" rubric: "Bashkortostan Electoral Committee 'Pads' Election Results. Heads of Administrations and State Farms Win in Conditions of 'Tough Competition'"]

[FBIS Translated Text] Today's Bashkortostan newspapers are supposed to carry preliminary results of the elections for the State Assembly, the republic's new legislature. The elections were held 5 March but the local Central Electoral Commission was unable during the next few days to provide any definite results. However, following repeated conferences, the electoral commission was told that the elections "are undoubtedly valid." Yesterday, Vladimir Kosenko, chairman of Bashkortostan's Central Electoral Commission, assured your SEGODNYA correspondent that as few as five districts were found lacking the sufficient number of valid votes. If one is to believe official data, Bashkortostan demonstrated figures which set a regional elections record: According to Mr. Kosenko, 35 out of the required 40 deputies were returned to the legislative chamber, and 146 out of 148 were elected to the representative chamber. Earlier, central news agencies reported citing members of the electoral commission that the elections most probably cannot be recognized as valid since "they will hardly scrape up 35 percent of ballots that are valid."

According to Mr. Kosenko, the turnout in rural areas was 80 percent, 53 percent in small towns, and 38 percent in

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Ufa. Aleksandra Bryantseva, chief editor of the recently closed-down opposition EKONOMIKA I MY newspaper, insists that such "a high turnout in the rural areas" is explained by the omnipotence of the local administration heads and state farm directors where "if rural dwellers disobey them, they run the risk of either being denied fuel supplies or being left with no jobs at all."

One of the activists of the local democratic movement, Sergey Shikhovtsev, stated that during all these days members of the electoral commission were busy "padding" the real results of the elections to make them match those wished for. The electoral commission promises to publish the winners' list in a few days from now. However, representatives of local parties are confident there could be no "surprises" in it. They testify that the local election regulations set up right from the start an insurmountable hurdle in the path of independent candidates. In particular, they established rather unequal electoral districts where, for example, a city of 300,000 could elect the same number of deputies as a village of 30,000. Besides, the 5-percent signature registration hurdle could mainly be cleared by heads of administrations, state farm directors, and so on. Thus, virtually no representative of organizations that oppose local authorities could even become registered as candidates. Bashkortostan Secretary of State Mansur Ayupov rather approved, in yesterday's interview for your SEGODNYA correspondent, of such an election system stating that "it is designed to provide for a very tough competition."

Tatarstan Election Results Detailed

954F1694A Kazan IZVESTIYA TATARSTANA in Russian 7 Mar 95 p 1

[Article based on reports of IZVESTIYA TATARSTANA correspondents G. Grigorenko, V. Till, V. Rakhimov, Ye. Kvitko, A. Bilyalov, and S. Lukashovoy: "Half of New Parliament of Tatarstan Elected"]

[FBIS Translated Text] Sixty-six deputies of the State Council of Tatarstan were elected last week.

A second round, in which the two candidates who garnered the highest number of votes will participate, will be held in 62 districts, and repeat elections will have to be held in two districts.

All told, 2,630,247 names were entered on the voter rolls, and 1,571,288 persons went to the ballot boxes in 2,655 precincts. On the whole in Tatarstan, 59.7 percent of the voters voted, in Kazan—44.9 percent, in the cities of the republic—46.1 percent, and in rural localities—36.3 percent. We remind you that these are preliminary data, and some central election committee elaborations are still possible.

Are the Chiefs Really More than Chiefs?

More than half of those who gained a victory in the very first attempt in the difficult preelection marathon were chiefs of administration who were candidates in administrative-territorial districts. Among these was Kamil Iskhakov, the mayor of Kazan; Vladimir Solovyev, chief of administration of Kirovskiy Rayon; Vadim Markelov, chief of administration of Privolzhskiy Rayon; and Albert Kamaleyev, chief of administration of Sovetskiy Rayon. Relationships still "have to be clarified" for: Viktor Budarin, chief of administration of Novo-Savinovskiy Rayon, and Igor Kotov, commercial director of the KAZANSKIYE VEDOMOSTI newspaper; Foat Ibatullin, chief of administration of Aviastroitelnyy Rayon, and Mikhail Alekseyev, chief mechanic of KAPO [Kazan Aviation Production Association]; Sabirkhan Mukharlyamov, chief of administration of Bakhitovskiy Rayon, and Zinnur Latypov, director of the republic's agency for bankruptcy matters; Ildar Fattakhov, chief of Moskovskiy Rayon, and Murat Sirazin, chief of the SPMK [not further identified] Tataropromstroy.

It is rather difficult to predict the results of these "duels": The present elections have to some degree dispelled the myth of the "unsinkability" of representatives of the executive authority in the localities. According to information in our possession, the voters "blackballed" the chiefs of the Sarmanovskiy and Slasskiy Rayons, although the first did not even have an alternative.

No particular sensations occurred during the elections in the territorial districts. The following became deputies of the State Council—Vasiliy Likhachev, vice president of the Republic of Tatarstan; Farid Mukhametshin, prime minister of Tatarstan; his predecessor, Mukhammat Sabirov; and Geliy Kobelev, Aleksey Kolesnik, Rinat Kharisov, chairmen of the permanent commissions of the Supreme Soviet of the Republic of Tatarstan...

As for the nominees of parties and movements, not one of them was from Yabloko. It is a pity that Ildus Sultanov and Ildus Salakhov were "knocked out of the game," but almost all of the rest of the emissaries from the Equality and Legality bloc came through in the second round. After the elections of 5 March, the communists did not count up many of their own fighters. But Aleksandr Saliy, leader of the Communist Party of the Republic of Tatarstan, will still vie for a deputy seat with Oleg Gorlik, director of KPOGAT-3 [not further identified].

Unfortunately, not one woman has yet become a deputy of the State Council. And, indeed, very few representatives of the fair sex survived the second round. Among them are Zilya Valeyeva, first deputy chairman of the Supreme Soviet of the Republic of Tatarstan; Olga Yermakova, chairman of the permanent commission of the Supreme Soviet of the Republic of Tatarstan; and Valentina Lipuzhina, former director of administration of Baumanskiy Rayon... In a word, the real danger exists that parliamentary activity in Tatarstan could become strictly male work. Very serious thought should probably be given to this before the next round of voting.

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As should have been expected, a small number of representatives of the working class, pensioners, a machine operator, and a student did not survive the competition. On the other hand, many businessmen whose great interest in politics is recent survived. In particular, interest in the right to work in the State Council on a permanent basis in order to continue the fight in the territorial districts of two presidents—Sergey Shashurin (Tan association) and Aleksey Semin (AZOT Formation Trust Company).

Everything Has a Place in Kazan

More than 35 percent of the voters had already voted by 1600 in all the voting precincts situated in the blocks of Kazan's Leninskiy Rayon.

According to the observations of members of the election commissions, middle-aged people, in the main, expressed their will on that day. There were almost no young people.

Who was given preference in elections in the city's "remote areas?" First, doctors, "in order to have another opportunity to consult with a specialist." Second, employees of law enforcement organs, "in order to be able to turn to someone for protection under the present conditions of excesses and abuses." Third, representatives of organizations of a democratic orientation, "in order that the authorities not be left without opponents."

Election precinct No. 127 was situated in the club of the Kazan flax combine. There were not many people here at 1130. Mainly elderly people. No more than one or two young people. Those who did come could have given their votes to Kazan Mayor K. Iskhakov, D. Vokhmyanin, a television journalist, or V. Rubinshteyn, director of a leather fancy goods factory.

An attempt to find out from the executive secretary of the election commission how many voters had already voted met with refusal: He said that figures like this are not given out and that inquiries can be made closer to midnight in the district election commission. But the representatives of groups of public observers who were following the progress of the elections generally made it known that those desiring to receive detailed information should have first gotten authorization.

This, so to say, is information for the reflection of the central election commission.

...It is 1130. Elections at election precinct No. 361 in Azino, Kazan's new microrayon, are in full swing.

It was noisy and cheerful in the gymnasium school where the election precinct was set up, as in previous years. People gathered in small groups not only around a rather respectable buffet, but also around a stand with toys, books, and industrial commodities. Apparently, because of the absence in the microrayon of entertainment establishments, or, as they were called before, cultural and educational institutions, the voters, after "communicating" with the ballot boxes, happily went to the assembly hall for a concert. At the time indicated, 965 persons had voted, which amounted to 35.6 percent.

All of this would have been fine, but the actions of some real or imaginary agitators blurred the general impression: In the second half of the day, when, according to the law, there could not have been any question of campaigning, flyers were being distributed in the courtyards of the microrayon requesting support for K. Iskhakov, the mayor of Kazan; A. Kamaleyev, the chief administrator of Sovetskiy Rayon; and candidates from the Communist Party.

Elections with Songs in Chelny

Despite the abundance of propaganda materials that set forth the biographies of candidates for deputy and their platforms which were being disseminated in the preelection campaign in Naberezhnyye Chelny, before dropping their ballots in the ballot boxes, those who were voting once again pondered their final selection.

However, a majority supported one candidate—Rafgat Altynbayev, the city's mayor. Here is what citizens said at different election precincts.

Firaya Zaripova, a worker at the KamAZ joint-stock company engine plant:

"Our mayor knows the problems of the working class well: He is always concerned about the timely issuance of pay and the provision of food for schoolchildren."

Akram Vakhitov, operator of a press straightening machine at a frame press plant:

"Altynbayev deserves to be a deputy of the State Council of Tatarstan. He has done a lot for us, residents of Chelny, especially for the disabled and pensioners. He prevented our children from being sent to Chechnya."

Some of the voters voted according to the principle of professional affiliation: doctors for medical personnel, teachers for educators. Some of the voters gave preference to builders, associating them with hopes for an improvement in the city's outward appearance through housing construction.

As always, trade in food commodities at lowered prices took place at the election precincts, and concerts were given.

No kind of excesses occurred that day.

The elections in the villages of Tukayevskiy Rayon proceeded in an even more organized way. By noon Sunday here, more than 70 percent of the voters had cast their ballots.

Quiet and Peaceful in Nizhnekamsk

The elections in Nizhnekamsk went off like a drill—neither a splurge of activity nor any manifestation of dissatisfaction were noted.

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By noon Sunday the voters had already expressed their attitude toward the candidates for deputy to the State Council [words illegible] this indicator totaled 54.4 percent.

According to preliminary data, the elections in Almetyevsk transpired somewhat passively. Out of four candidates for deputy to the State Council, only two received seats. A second round of voting will have to be held in two other districts.

Too large a number of registered candidates for deputy to city and rayon soviets in many districts hindered anyone from receiving the necessary number of votes. Thus, only 20 deputies were elected to the city soviet. A runoff election will be held in 24 districts, and repeat elections will be conducted in six districts.

Among the elected deputies, [words illegible] 15 percent of Nizhnekamsk residents, and only after the first work shift was the fixed threshold of 35 percent of the voters surmounted.

Of a dozen candidates, only two are accepting congratulations—Gayaz Sakhapov, general director of the Nizhnekamskneftekh joint-stock company, and Agtas Galiakhmetov, chief of the local administration.

But the elections to the city soviet are noteworthy in that runoff elections will have to be held in 11 of the 25 districts, and the staff of the local authority presently has only two deputies—Mnavar Ayupov and Olga Litvishshenko, a pensioner.

There were no reports of any violations of legality. Continuous control was exercised at practically all the precincts by representatives of TOTs [Tatar Community Center], the communists, and the Ittifak [Concord] and RiZa [Equality and Legality] parties.

Oilmen Win in the Oil Kray

The elections in the oil region of the republic took place without any surprises.

As expected, the activity of the voters took place at the middle level. The exception was Bavlinskiy Rayon, where about 97 percent of the voters took part in the elections. Bavlinskiy residents specified the names of deputies to the State Council of the Republic of Tatarstan, and in 25 of the election districts they elected 21 deputies of the rayon soviet. Repeat elections will be held in only three districts, and a runoff election in one.

Good electoral organization was demonstrated in Leninogorskiy Rayon, where elections were held in all the districts. As before, the villagers approached the election of representatives of organs of authority more responsibly. Ballots were dropped in the ballot boxes by 89.4 percent of the rayon voters. Oil workers constitute a majority in Leninogorsk.

In voter activity, Bugulma lags behind other cities of the southeast of the republic, even though it collected the necessary percentages so that the elections would be considered validly held. Attendance was inadequate in nine city election districts. Only 17 of 50 deputies were elected. Incidentally, among those elected, 12 head Bugulma enterprises, and there is not one woman among them. On the whole in the city, 38.5 percent of the voters voted, in the rayon—60.6 percent. Elections to the State Council were held in two out of four districts. A second round will take place in the others.

Tatarstan Official Views Post-Chechnya Scenario

954F1693B Kazan RESPUBLIKA TATARSTAN in Russian 7 Mar 95 p 2

[Interview with Rafael Khakimov, state counselor at the Office of the President of the Republic of Tajikistan, by unidentified Volga-Ural Press Agency correspondent; place and date not given: "Who Comes After Chechnya?"]

[FBIS Translated Text] The Chechen crisis has aroused justified apprehension among the former autonomies of the Russian Federation: Who is next in the way of Moscow, which has resolved to take military action in its endeavor to uphold the maximum influence on the regions? Great concern is being felt by the citizens of Tatarstan, which has by way of difficult negotiations achieved a special relationship with Russia and the signing of a bilateral treaty. Our correspondent asked to comment on the current situation Rafael Khakimov, state counselor at the Office of the President of the Republic of Tajikistan.

[Correspondent] Rafael Sibgatevich, is there not in connection with the Chechen crisis a need to consolidate the region's efforts for the creation of a regional security system? After all, it was no accident, was it, that a threat to deal with the "gangs" in Tatarstan as in Chechnya slipped from the lips of Ivan Rybkin, chairman of the State Duma of the Russian Federation?

[Khakimov] Rybkin's words were no accident, for the interviews that he grants the press have reminded me of Khasbulatov, who also promised for a second time to take Kazan and bring our President Shaymiyev to Moscow in a cage. These were not idle threats—Khasbulatov was in a division that conducted "exercises" around Tatarstan in March 1992 on the eve of our referendum. I know that some politicians raised in the Security Council directly the question of the need to commit troops to Tatarstan to prevent the referendum being held. There are many who don peacemaking garb, but who are inwardly hatching plans to renounce the treaty with us and return to the system of territorial division into provinces. This idea is being analyzed "at the top," and I believe that in the aspect of the Chechen events these are no longer just theoretical arguments but a transition to practical steps, so the question of the security of our region does involuntarily arise.

[Correspondent] How might we secure our region against dangerous shameless interference in our affairs with the aid of force?

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[Khakimov] The armed path and the creation of a national guard are futile for us. We do not live in mountains, our situation is different, and confronting the Russian Army, even a demoralized one, weapon in hand is unrealistic. Besides, were the blood even of one person to be spilled, this would in itself destabilize the situation in our region, and a stratification along ethnic lines would begin. This is why we found our bearings in good time and wrote in Article 8 of the Constitution of the Republic of Tajikistan that we renounce violence and war in the solution of political questions. Second, we declared Tatarstan a zone free of weapons of mass destruction. Third, we concluded with Moscow an agreement in the sphere of military organizational development. Troops of the Russian Army, except for the air defense troops, were, in fact, withdrawn from Tatarstan, and the weapons were removed. Given the chaos that reigns in the army currently, criminal groupings could have availed themselves of the military stores to destabilize the situation in the region. Fourth, a decree of the Supreme Soviet of the Republic of Tajikistan on the nonparticipation of our conscripts in zones of military conflict was adopted. Fifth, our economy is being demilitarized. There is a unique situation here at this time: Our military-industrial complex has been abandoned by Moscow to the whim of fate, in which connection we have acquired a historic opportunity to convert it to civilian production. Speaking of the Volga-Urals region as a whole, however, we need to shore up common positions on the federalization of Russia for the tendency of imperial forces toward the country's unitary reconstruction is strong in it. Nothing positive has been formulated in Russia today ideologically, the ideas of democracy have become none too popular, and the idea of empire is surfacing once again. This is emanating from both Solzhenitsyn and Zhirinovskiy. In this situation the republics need to unite to uphold their rights within the framework of Russia.

[Correspondent] How is this to be done?

[Khakimov] It is essential to restore the activity of the Council of Heads of the Republics, which formerly contributed much that was positive on questions of the constitutional development of the Russian Federation. Unfortunately, the president of the Russian Federation abandoned this form of work after the October events. In addition, treaties on cooperation between republics of the Volga-Urals region have been concluded, although they are operating inadequately as yet. It is not obligatory for security to have a great deal of weapons, it is sometimes enough to have a stable economy and an outlet to world mass information media. If the Volga-Urals region strengthens its economic positions by way of cooperation between republics and oblasts, Moscow will be unable to dictate its will by virtue of economic conditions. Acting together as a single economic entity, we could truly influence the entire policy of Russia, acting as a counterweight to the pro-empire forces. I consider the idea of neutrality and demilitarization promising. In the wake of Tatarstan, Bashkortostan has enshrined in its constitution an article to the effect that this is a zone free of weapons of mass destruction. If we expand this zone together and help one another undertake conversion, this will be the most peaceful, stable region of Russia.

[Correspondent] What is important for us today is economic and cultural union, not political association. We complement each other economically. We, for example, have no timber, but the Mariytsy do; we produce oil, it can be refined in Bashkortostan, and so forth. The geographical factor is of considerable importance also. We are at the intersection of convenient routes—air, water, railroad, motor. It is possible in daylight to get to any capital of a republic or oblast of the Volga-Urals region from Kazan. This is why Europe opted for Kazan for the location of warehouse premises, taking account of the 20 million population around it. There is also such a factor of integration as culture. Our cultures are inseparably linked, which is atypical of other regions of Russia. We need to make use of this advantage, and how to satisfy the cultural needs of the Udmurt, Mariytsy, and other peoples living in Tatarstan is a constant headache for us. Our neighbors have the same problems with the Tatars because only part of each nation lives on the territory of its own republic, the rest have settled throughout the Volga-Urals area. It is necessary to create common programs of cultural and educational development for the peoples, regardless of borders, with common structures of administration, and then the problem of the diaspora would disappear of its own accord. The Chechen crisis has forced all of us, I believe, to pay attention to the unrealized possibilities of our region.

Counterintelligence Work in Samara Detailed

954F1611A Samara SAMARSKIYE IZVESTIYA in Russian 11 Feb 95 p 5

[Article by Lyudmila Borodina under the "Counterintelligence Today" rubric: "....And Economic Interests—Separate"]

[FBIS Translated Text]The events in Chechnya have caused a new surge of negative materials published about the Federal Counterintelligence Service—FCS.

Nevertheless, provincial counterintelligence always is upset when it has to bear the blame for its Moscow colleagues. Especially considering that "local" tasks are somewhat different from those at the central level.

SAMARSKIYE IZVESTIYA offers our readers several materials on the concerns of Samara Oblast FCS's lead administration—the department of counterintelligence support for strategic objects (KROSO).

In March 1994 a new criminal code was adopted in France, which envisages criminal liability not only for illegal collection of secret information, but also for collection of open-source materials, which in aggregate may harm fundamental national interests.

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(From newspapers).

Top Secret

I feel sorry for a famous Samara professor, whose name seven years ago was constantly in the press. At the time, a world-famous American company got interested in his work and even signed a 15-year contract with the scientist. For five years now, however, there has not been a word from the company. The professor, together with colleagues accompanying him, made several trips to the United States, and to plants in other countries, since the company is global. The plan was for him to implement his developments over the entire period of the contract, constantly working on improvements. However, apparently after receiving the first prototypes (successfully installed, by the way, at all subsidiary companies), the Americans figured out on their own how to achieve the full effect.

I remembered this because the incident with the professor fit precisely into the topic of my conversation with Gennadiy Petrovich Bokov, deputy chief of the counterintelligence support for strategic objects service of the FCS's Samara administration. A living proof, so to say, that even the most famous companies are not picky when it comes to obtaining advanced technologies. And the 15-year contract promised the agency where the professor worked constant dividends in hard currency...

"In the same United States," he says, "there are about 130 laws and instructions that regulate the entire process of their scientists' participation in international scientific-technical exchange, ensuring protection of strategically important information."

In their concern for priority development of their science, which fulfills most important military orders, Americans apply a number of state measures and administrative restrictions that are even stricter than ours and which do not cause particular objections on the part of those privy to secrets. The reason is not just the particular patriotism of those who ensure the defense might of the country, but also massive financing of secret research and production programs of greatest importance for the United States.

Gennadiy Bokov is certain that we still have top secret things in our oblast, despite production decline and apparently all-out openness.

"We work so well," he jokes, "that not everything is yet public knowledge. And we continue in the line of duty to register foreigners' interest in secret facilities.

"We currently have a lot of confusion regarding the very notion of 'secret.' Information that constitutes a state secret generally is defined in the Russian Federation law "On State Secrets." On this basis, departmental lists of information that constitutes state secrets are supposed to be compiled, but not every agency has done it.

"There also is an instruction of the USSR Council of Ministers 'On the Procedures of Working With Secret Documents' Although it has existed since 'the times of stagnation,' it has remained in effect by presidential edict. The FCS is tasked with monitoring compliance with the instruction's provisions. Some of them clearly are outdated but have not been repealed. In the past, people with access to secrets could not even think of traveling abroad on business or as tourists. Now the decision on foreign travel is within the competence of an enterprise's leadership, which carries the responsibility for protecting secret information. When permission is denied, any citizen has a right to turn to court and appeal such a decision of the administration. We have encountered such practice and are called to courts as experts."

All in all, Gennadiy Bokov believes that there would be much fewer complaints about the FCS if all instructions "on secrets" were published in the open press. So that people would know that this is not the special services' evil design but a matter of national interest.

Take for instance the government decree dated 5 December 1991 "On the List of Information That Cannot Constitute a Commercial Secret," which Bokov constantly uses as a guidance in his work, while his interlocutors become sincerely astounded when they hear that a company's founding documents and financial report, the data on an entity's solvency, number of employees, payment of taxes, and even salaries do not fall under the category of commercial secrets!

See how useful it is to know the law....

Around and About...

Delegations began to frequent the Trud NPO [scientific-industrial association]. As a rule, small contracts are offered. Germans, for instance, signed a contract for 50,000 marks. Then there were Americans.... The crux of the matter, however, is that some of their engines are behind ours by about 30 years. The purpose of such visits is to "copy" whatever they manage to see. At the same time, leading specialists are offered to move to the West.

In recent times, 200 staff members of various military attache offices have been in Samara. An aide to the American military attache, for instance, did not bother to be inventive regarding the purpose of the visit: "familiarization with the course of the election campaign."

American political scientist David Woodruff also apparently ran into a mother lode: For a month and a half he lived modestly in the Polytechnic University dormitory and every single day went to the oblast library, where he read solely defense enterprises' newspapers. After which he went straight to the United States, skipping a planned trip to Krasnoyarsk. He had read enough, apparently....

Question—Answer....

"Special expert commissions should be set up at enterprises," say the FCS staff, "which would determine the

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degree to which particular information should be open to foreign competitors. Because as it stands now, information that is worth a lot in the West is being collected legally, at minimal cost."

There are numerous examples of it. Defense enterprises are flooded by various questionnaires, whose authors say that they are studying the possibility of capital investment. But seriously speaking, what kind of investment may be expected of a private company with a charter capital of $100 million? But high-ranking managers did take the bait! This company, called the Foundation for Russian Large Enterprises, had been set up by the decision of U.S. Congress and funded with the budget money earmarked for aid to Russia.

AO [joint-stock society] Sameko was trying to convince the foundation's representatives to invest in production of aluminum containers; Novokuybyshev petrochemical combine—in production development; and AO Alomis (a former sulfur plant)—in the production of nonethylated gasoline.

....Questionnaires of the German companies Payne Webber and Minbaum included questions on the description of products, production volume, equipment wear and tear, raw materials deliveries; on suppliers of gas, water, heat and electric power, access to central junctions of water, rail, and air transportation. On top of this all, they asked to indicate the plant's location on the city map and enclose photos of plant shops from different angles.

Sixty Samara residents worked on a contract with the Die Mark company, collecting information on a reference book on Russian enterprises. In the FCS's opinion, some questions are not relevant to such reference books but are of interest to special services.

"And do not accuse us of spy-mania," says Bokov. "Our service was traditionally tasked with countering any—not only economic—subversion, and employs highly skilled specialists. Western special services monitor Russian interests even more intensely and actively protect the secrets that affect economic security, access to most important technologies, and results of fundamental research."

The aforementioned NPO Trud received a letter from a John Smith, United States, where he, under the guise of gathering research materials, asks to provide detailed data on the current state and development prospects for production of engines manufactured at the enterprise. What did the "curious John" from overseas count on? That our specialists, out of the kindness of the heart—oh, sure, why not?—would brag about new developments?

Sadly, even our own Samara researchers may become a channel for leaks and exposure of secret information. Just recently, a number of enterprises and organizations received questionnaires from the NII [scientific-research institute] for region's economic problems. For the purpose of studying the question of appropriating money for enterprise conversion.

In the opinion of competent specialists, many answers to questionnaire questions, when taken together, will disclose information that constitutes a state secret. But the NII for economic problems, which intended to summarize this data, does not have a security department, and hence no environment for protecting secret information when working with such documents.

So John Smith now can send his request over there too. Please send, he would say, a detailed analytic report on Samara defense sector enterprises and their output, for research purposes! Although in the era of computers other options also are available....

In this connection, a questionnaire question on, for instance, yield of grain crops is far from innocent. Data summarized across Russia will enable others to dictate grain prices.... By the way, the famous Mendeleyev learned the secret of English black powder by watching what was being brought to the factory....

An Unprofitable Contract

The FCS's economic security line of work is probably better known than others. The press widely covered Operation Trawl, in the course of which counterintelligence of our oblast alone prevented smuggling out R1 billion worth of oil, metals, and other strategic materials.

Today other and much more complex concerns are coming to the forefront. For instance, corruption of high-ranking officials in foreign economic affairs, or abuses in privatization: founding private companies with state money under the guise of a collective founder, transfer of state property into private hands at preferential terms for remuneration, buying up real estate, acquisition of controlling shares of stock by private individuals.... This we will talk about later; meanwhile....

Just over the recent period of time, the signing of a R20 million contract was averted, which would have locked the ball-bearing plant into production of obsolete parts.

Nonlicensing transfer of technological documentation on a number of Samara Oblast oil fields to the American company Ots Petroleum Corporation [as published] did not take place.

Contracts very unfavorable to the Russian side—between AO Volgotanker and the Swiss firm Mark Rich, and CGNPP [joint state science and design enterprise) Trud with the American company Pratt-Whitney, which specializes in aviation engine design—were not signed.

Such attempts are numerous. Their purpose, in the FCS's opinion, is to put Russian rivals out of the game and let Western capital take a key position in our economy. To this end, they even stoop to discrediting our enterprises as reliable business partners. Or lock

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them into imported raw materials. In the final count, the goal is to restrict Russia's place in the world economy.

Samara Oblast Duma Chief on Current Tasks

954F1612A Samara SAMARSKAYA GAZETA in Russian 14 Feb 95 p 5

[Interview with Leon Iosifovich Kovalskiy, chairman of the Samara Provincial Duma, by Yu. Petrov; place and date not given: "Seeking Solutions Based on Today's Realities"]

[FBIS Translated Text] **Let us introduce our interviewee. He was born in 1940 in the village of Monastyrok of Zhitomir Oblast, to a peasant family. He graduated from high school in the village of Novo-Rogachik of Volgograd Oblast and then from the Kalachayevskoye River School. Prior to being drafted into the Army, he worked at the shipyard. Graduating in 1970 from the Volgograd Agricultural Institute, he became a hydraulic engineer and was sent to work in the Kuybyshev land-improvement system. He subsequently negotiated all levels of career growth from works superintendent to general director of the Samaravodstroy company. He is married with a son and a daughter.**

[Petrov] The provincial Duma is a new type of organ of representative power. What are its present structure and practical powers? Can it be said that it has already proved its worth?

[Kovalskiy] You are right, the Duma is, truly, a representative organ of the new type. New for contemporary Russians, at least. It is not the former soviet, but one of the three branches of the power "tree," together with the executive and the judiciary, which became possible on the basis of the Constitution of the Russian Federation of 1993, which affirmed the principle of the separation of powers.

The powers of the Duma and its functions are closely interconnected. The main functions are legislative and control. The Duma adopts oblast laws and (if necessary) makes revisions, additions, and amendments to them. It announces an oblast referendum. It approves the oblast budget presented by the administration of the oblast and the report on its execution. It ratifies treaties between Russia and the oblast. It determines in accordance with Russian legislation the fundamentals of the organization of local government. And this is a far from full list of the questions constituting the terms of reference of the provincial Duma. Four standing committees (for the budget; finances and taxes; a control committee; and a local government committee), whose activity is regulated by a special statute, have been formed from its deputies. Each committee works according to its own schedule, which is coordinated with the general work schedule of the Duma, drawn up with regard to urgent problems of the population of the oblast.

To the question of whether the provincial Duma has proved its worth, I answer in the affirmative. Despite all the complexities of our life and work (both objective and subjective) and despite the inevitable mistakes, its activity is constructive. And this, I am sure, is the main thing. We argue (even with our blood up at times) both among ourselves and with the executive, but decisions are adopted and the work gets done—specific work that people find necessary. Of course, we have still a great deal to learn. Macroeconomic processes are not always grasped immediately, for example. But the present Duma cannot be denied a desire to understand or diligence.

[Petrov] Compare the present Duma with the soviets.

[Kovalskiy] What they have in common is that they are representative bodies elected by the public for a particular term. The main difference, however, is in their role and functions: Whereas the soviet was a sovereign body, the Duma is a legislative body. Another essential feature is that no fewer than 40 percent of the deputies work in the Duma on a permanent (professional) basis. On the one hand this is, of course, not enough, and were all 25 deputies (or if only a majority of them) to work in the Duma on a permanent basis, its activity would be, possibly, more intensive. But, on the other hand, the demand that all the people's elect work only in the Duma is fraught with the danger of a decline, if I may put it this way, in the qualitative level of the oblast parliament. In this case people of substance who have already made a career would most likely prefer not to risk what they have achieved for the sake of the unpredictable fate of a "nominee." The principle of the separation of powers cannot be realized in full as yet, at this stage. This is a task for the future. There are among the Duma deputies at this time heads of the administrations of cities and rayons and leaders of major state-run enterprises and stock companies and banks. And the Duma cannot manage without their knowledge and experience of the solution of problems.

[Petrov] It is quite a widespread opinion that the government officials from the executive structures are professionals, and the deputies are amateurs on questions requiring specific solutions. What do you think?

[Kovalskiy] I have, in fact, already contested this opinion, when I spoke about the composition of the corps of deputies. Can such people be suspected of incompetence?! They are not mass-meeting leaders. They have proven in practice their right to make decisions and the ability to have them fulfilled. Add to this competitiveness and the enormous potential for personal development. They knew when joining the election struggle what they were getting into; they knew that victory at the elections would be for them not a finish line but a new starting line—for the assimilation of new seams and spheres of activity. If a deputy sometimes appears to be in the role of a student, therefore, it is a very capable and diligent student.

[Petrov] What are the most important decisions, from your viewpoint, that the Duma has adopted as of late?

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[Kovalskiy] At the nine meetings that were held in the period from July through December of last year, the Duma adopted several dozen decisions. Two laws—"On the Status of the Deputy" and "On the Oblast Budget for 1994"—appeared. In the interests of replenishment of the budget, the "go-ahead" was given for the issue of short-term financial obligations of the oblast administration. Now these valuable securities are already being sold. A statute on the allocation for the employees of publicly funded organizations who need to improve their housing conditions of non-returnable subsidies and credit for the construction and purchase of housing that had been drafted in the administration was approved. The procedure of the transfer of facilities of housing and the public utilities of privatized enterprises to municipal ownership was not regulated until recently. The corresponding statute, which had been prepared by the oblast administration Construction Department, was approved by the Duma in November 1994. Hearings were held on the first version of a draft charter of the oblast—the main document for our region.

[Petrov] How are the Duma's relations with the administration of the oblast developing? How is the heterogeneousness of the political composition of the Duma influencing them?

[Kovalskiy] Normal working relations are shaping up between us. And the motley nature of the political predilections of the Duma deputies performs no essential role here. Generally, when discussing specific matters, we try to push ideological outlines—"capitalist," "socialist"—as far away as possible and to proceed from reality and to display concern for specific benefits for people and for the cause.

[Petrov] What contribution is the Duma making to a solution of the most acute socioeconomic questions?

[Kovalskiy] Special Duma hearings on the state of the fight against crime were held with the participation of leaders of the power structures of the oblast level. Several legislative initiatives, which the oblast deputies intend to take to the Federal Assembly, are being drafted on their results. Amendments, revisions, and addenda are being made also to the current oblast program of the fight against crime. The Duma thoroughly "ran in" the oblast privatization program and made revisions and addenda to it. Analyses had been performed in the commissions and committees for a month, but even at the meeting of the Duma itself a conciliation commission had to be formed. I believe that, thanks to the provincial Duma, the final version takes more fully into account the interests of the territories—the cities and rayons of the oblast. The approved program incorporates measures for the post-privatization accompaniment of the enterprises, specifically, for the attraction of investments to our region.

When determining the Duma's tasks, the deputies unanimously advocated an intensification of the social focus of its work, which signifies a need to work on the laws and decrees that are now really needed by the electorate and the population of the oblast. It was decided to concentrate on the preparation of legislative acts on health care, education, culture, and the social protection of needy citizens.

[Petrov] How difficult is the present composition of the Duma finding it to achieve accord in the decision-making process?

[Kovalskiy] Russia has no "Realists" Party, but if it had, the vast majority of Samara Duma members would be members of it. This frame of mind—geared to a search for solutions based on the realities of the present day, forward progress, and consideration not only of our own but also of world experience—is enabling us to eschew political "showdowns," although certain deputies sometimes attempt to push the Duma onto this path. Unsuccessfully as yet, fortunately. Factions have formed here on an exclusively professional basis: agrarian and industrial.

[Petrov] How, in your opinion, should power be reconstituted in the regions?

[Kovalskiy] It is my profound belief that Russia's future lies in genuine federalization. That is, for the regions, the maximum of freedom, for the center, only the powers that are voluntarily ceded it by the components of the Federation (defense, the safeguarding of law and order, the fight against the consequences of natural disasters, and so forth). But power in the oblast also should be dispersed as much as possible, in my view. Its state level ends with the oblast legislative body, the executive "vertical," it is true, goes down to the large village, where the administration is represented in one person by its chief. The legislative "branch" could and should reach the masses themselves in the form of organs of local government, which would adopt decisions on urgent questions of local life.

Samara Administration Discusses Oblast Budget

954F1609B Samara SAMARSKIYE IZVESTIYA in Russian 25 Jan 95 pp 1-2

[Article by Nik Chaykovskiy, under the "In the Corridors of Power" rubric: "Laying Our Own 'Paths' in a Classical Scheme"]

[FBIS Translated Text] **The consolidated and oblast budget for the current year was compiled in this way, according to a pronouncement of G. Khasayev, the first deputy chief of administration and chairman of the economics and finance committee. In the past year, main positions and emphases of the budget were thoroughly analyzed at a meeting of the collegium of the oblast.**

The collegium also considered a number of other important questions: about improvements in the management of budget resources and about the establishment of an institution of authorized banks for this purpose, about the

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accountability of state enterprises located on oblast territory that operate on the basis of concluded contracts, about the introduction of changes in tax rates for users of roads, and about the transfer of objects to municipal ownership.

As was reported to the collegium by A. Gorbunov, the chief of the financial administration, the draft budget for 1995 was drawn up in strict conformity to the forecast of the socioeconomic development of the oblast. The budget, consolidated according to expenditures, will amount to R3,969,463,000,000 and, according to income—to more than R3.5 trillion. Accordingly, the expenditure part of the oblast budget is envisioned in the amount of R1,308,942,000,000, and the income part—in the amount of R1.09049 trillion. As can be seen from a comparison of these figures, the maximum size of the deficit of the budgets with respect to the volume of expenditures will be 11.2 and 16.7 percent.

The speaker emphasized that, owing to the insistence of the governor, who continuously defends the budgetary rights of the regions in the State Duma, it is planned to leave significantly more resources in the oblast this year—55.3 percent—from the sum total of probable income. A big part of it will go to finance the national economy (25.5 percent) and capital construction (15.4 percent). It is planned to allocate R6 billion of credit for the development of privately owned farms, R7 billion for the development of a state program of support for entrepreneurship and business, and R48 billion—for investment on a competitive basis in more efficient programs and projects.

Alas, the peculiarity of money is that no matter how much of it is added, there is never a lot of it. In this connection, the chiefs of administration of the cities and rayons expressed themselves in the sense that the budget, compiled as usual according to the classical scheme, restricts or encroaches on the financial- economic independence of the territories. But V. Tarachev, the deputy chief of the province Duma committee for the budget, finance, and taxes, spoke even more categorically: He did not see any law at all on the budget structure of the oblast in the proposed draft. To which K. Titov, the chief of administration, objected: The draft budget was compiled within the framework of the overall financial scheme of the state, which cannot be escaped.

It seemed that everyone was reconciled to the point of view of G. Khasayev: In formulating the budget, the administration follows not only the classically developed scheme, but also its own, albeit narrow, enterprising "paths." In particular, it was possible to continue high investment activity on the territory of the oblast and to abandon the subsidy policy in a number of branches, etc.

G. Khasayev also answered the question of why it was not possible for the purpose of expanding the economic independence of the territories of the oblast to leave the norms of deductions from incomes and taxes for them stable for at least three to five years. The main obstacle here is the tax legislation of the Russian Federation: Taxation could be changed at any moment.

The second question on the collegium's agenda was a logical extension of a discussion on the draft budget: concerning improvement in the management of budgetary resources through authorized banks. As First Deputy Chief of Administration G. Khasayev emphasized, the rights of components of the Federation and the credit-banking system require more perfect forms of management of budget and other financial resources. That is why it is proposed to create institutions of authorized commercial banks, especially since the proposed members of this institution—the Srednevolzhskiy Commercial Bank, AvtoVAZbank, Inkombank, RosESTbank, Sberbank, Gubernskiy, and others—are actually already servicing budgetary and off-budget funds.

V. Danilin, the chief of administration of the Central Bank for Samara Oblast, spoke as the principal opponent on this question. In his words, this idea is as good as it is dangerous, because no one today can talk definitely about the degree of reliability of one or another commercial bank. But, besides this, who, he said, knows how the banks will use and where they will send the budgetary resources deposited in them?

P. Nakhmanovich, the president of AvtoVAZbank, to the contrary, did not share the fears of his colleague. He noted that, as the banks are already crediting budgetary accounts, then the whole question is to conduct this initiative in a civilized form, and to develop definite rules of the game and methods of effective management of resources.

The collegium approved the concept of the institution of authorized banks as a whole, noting, however, that, in view of the differences that arose, it requires a concrete definition, and the normative documents—revisions.

To the complete surprise of L. Latkin, director of the department for construction, architecture, housing and public utilities, and road management, the collegium, after a stormy discussion, left the question open about increasing the tax rate for the territorial road fund for users of motor vehicle and other transport resources. Although, it must be admitted, the arguments for increasing the tax were sufficiently impressive. First, the tax rate of 1.2 percent that is in effect today in the oblast is substantially lower than in many other cities of the Russian Federation (in Saratov and Ulyanovsk, for example, it is 2-2.5 percent, and in Tyumen—3 percent). Second, the proposed increase in the tax rate to 1.6 percent is a result of the increased number of kilometers of roads (last year, 236 kilometers were put into operation, and it is planned to build 256 kilometers this year), and, in addition, a result of the growing cost of road construction under conditions of inflation.

The governor, however, noted that the example of Saratov and Tyumen was no argument for us, and the

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percentage increase in the tax rate was excessively high—it would increase the tax burden on enterprises by 20-30 percent—and he proposed another way: Equalize the level of the tax rate from physical persons and, perhaps, reduce the tax on the profits of road builders.

Novosibirsk Industrial Productivity Reviewed

954F1649A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 28 Feb 95 p 4

[Commentary by Valentina Mishina, deputy department chief of the Novosibirsk Oblast Committee on Statistics, and VECHERNIY NOVOSIBIRSK commentator Arkadiy Antonov: "The President's Aria and 'Varangian' Guests: Thoughts Evoked by the Results of Novosibirsk Industry's Operation in the 'Start-Up' Month"]

[FBIS Translated Text] **Remember the scene from a cute, funny animated movie about the opera tragedy of the kind of "Bang, bang—oh, dear, my little bunny is dying"? The main character-soloist's hunting rifle gets stuck, and he, jerking the lock of the toy "boomer," struggles to stretch the "pause" with all his remaining breath: "Now, here it comes...." The "bunny" already lies prostrate and stares in amazement: "Come on, come on, shoot...." But the rifle, which by all laws of the genre must fire, albeit with blanks, fails at the crucial moment.**

Something similar happened with the much-promised President's Message. "Intense work is under way...," "Reference points are being clarified...," "Data is being validated...," and other no less wisely flexible explanations from presidential advisers were all over the mass media. The year was already clicking off the days; friend Clinton already had talked to his American voters about the... 1996 budget. While we still do not have either a fully put- together budget at least for the current year or the inspiring speech of the first person, setting the tasks for the Russian people.

The temporarily jammed mechanism did finally snap into action. The moment of truth arrived. The president sent his Message. Enough has already been said about it. Let us only emphasize the main idea, regarding the irreversibility of reforms and the "correct" course. And from this angle look at another month that has just flown by and—this time definitely "final"—stabilization of the economy.

Well, there is good news. After all, everything else notwithstanding, and even despite Chechnya, the Siberian "capital's" industry functioned in January. And manufactured products: almost R315 billion worth. Almost as much as in January of last year. True, it declined just a bit again—stumbled, so to say, a little—but only by 0.7 percent (in comparable prices, of course, taking into account inflation and other negative factors).

Of course, to start a year with another tumble down—what kind of good news is this?! Nevertheless, while we are sliding downward, it looks as if it is nevertheless happening more slowly than last—also a "stabilized"—year. Judge for yourself: In 1994 we plunged 37.6 percent down. Divide that by 12 months, and it turns out that we are falling three-and-some times more slowly. Of course, this is only the first month, and we are still sliding into an abyss, but not as fast as the imperialist gentlemen want us to. Moreover, production growth has been registered (by as much as 5.8 percent) at state enterprises. Of course, opponents may object: The government did after all throw some money for wages to "own" production facilities right before the new year, so they put in some extra effort. At enterprises of joint-stock and other forms of ownership during this time, production declined by almost as much—5.7 percent. But here is a market for you—had they not rushed into the private sector, the state would have thrown in some "small change" to them too.

Needless to say, the market economy—in this case, our own, domestic—is like connected vessels: On one side increased, on the other—dropped. Production increased in machine building, which of course should be a joy to Novosibirsk residents: This means that the tomorrow of the "national economy" is not yet completely wiped out, because without it—machine building—no production will rise. There is a small but nevertheless an increase in the output of woodworking benches, weaving looms, chemical and technological equipment, including for the processing sectors of the agro-industrial complex. The food processing sector, however, alas, did not get to the point of achievement. There was less meat, butter, and even bread, not to mention hard liquor, produced in January. The only "consolation" in this respect is that apparently overeating is bad for you; as to alcohol, foreign "tavern keepers" helped out.

Here is the picture we get on our "scales": Of 96 most important categories of industrial output counted in periodic statistical reports, production of 50 declined, but that of 30 increased. There is no "equilibrium" yet, but the year has only begun. These days, even such previously unthinkable terms as "production stoppage" or "curtailed work schedule" are quite suitable for comparison and analysis. For instance, in January production stopped completely for more than one shift at six city enterprises; at 15, using statistics' elegant expression, "partial stoppages took place;" at 28 enterprises more than 28,000 persons have been "transferred to a reduced work schedule." Time lost from work amounted, respectively, to 284,400 man-days. Even in this, however, it turns out that there is a "bright" side to everything: Compared to January 1993 the loss declined by 13,000 man-days.

Do we really work a little more? This brings to mind a ram-it-in slogan-exhortation that is hanging on the office of a former sovkhoz, which happy urban owners of countryside garden plots have been passing by for the past five (or ...teen?) years: "To live better, you have to work better." The place, however, is no longer a sovkhoz, but a joint-stock society, and villagers drink more than before, earning money in not-too-remote Novosibirsk.

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And earnings here, in the Siberian "capital," are different for everyone, and figures also tell a lot. In power generation, it is 708,000 (so far rubles) per capita, while food processing does not even pull a half-mil—R405,600; "chemists" get R34,000. The foundation of foundations of the economy—machine building—alas, values the labor of its craftsmen at less than R277,000. Overall in the city, average earnings amount to R287,200.

The nominal average wage per worker in Russia is R334,000. Which confirms once again that in terms of standard of living, Novosibirsk is no United Arab Emirates, Sweden, or even tiny Luxembourg. And it is probably not accidental that we get increasingly frequent visits from government delegations, commissions, high-ranking statesmen, and political leaders—from Chubays and Rutskoy to Gorbachev and Gaydar. It is impossible to imagine such different figures around one table, even a well-provisioned one. When each offers his own "entree," however, it turns out that they find their "consumers." Each has his own course of reform, and they are ready to blaze the trail. Everything else notwithstanding. Elections are upon us. And who will vote faster if baited by an edible piece? Easy to answer—he who is hungry.

But this is already from a different opera. And, let us hope, we are not that dead. Appraisal of the February aria coming soon.

Irkutsk City Duma Deliberates Charter, Tax Breaks

954F1640C Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 8 Feb 95 p 3

[Article by journalist Svetlana Makeyeva: "Draft City Charter Already Prepared"]

[FBIS Translated Text] One of the most important issues examined by the city Duma at its first open session this year—on 31 January—was the draft Charter of the City of Irkutsk, proposed by specialists of the Department of Constitutional Law of Irkutsk State University.

For the first time in the history of our city, a document has emerged that presents a system of local self-government, and determines the status of the city and the rights and responsibilities of citizens. The charter was examined in the first reading. Questions, proposals, and comments naturally arose, therefore, in the minds of deputies. It is not entirely clear, for example, what the relationship will be between the city self-government and oblast and federal structures. Nor is there any precision in matters dealing with the budget, taxes, and property. The deputies focused attention on provisions prescribing the authority of the city Duma and that of the mayor of the city, and introduced a number of changes to them. Honorary citizen Mark Sergeyev proposed that a separate article be devoted to principles of interaction between the mayor and deputies.

A working group was established by resolution of the Duma which will continue working on the charter. The group includes Duma deputies and honorary citizens of Irkutsk. This effort will be headed by the city's deputy mayor, Lyudmila Berlina. It is planned to acquaint representatives of political parties and movements and public organizations with the draft charter. Only following the completion of all this work will the document pass once again through the Duma and be published in the mass media.

Concluding discussion of this issue, Irkutsk Mayor Boris Govorin noted that the charter conforms to the provisions of the Russian Federation Constitution, which affords the right to organs of local self-government, cities, and rayons to have their own document determining the norms of vital activity of these territories.

The city Duma also adopted a number of decisions on matters related to tax benefits. The food problem has always been a top-priority concern for the city. We are already forgetting those times when it was simply impossible to purchase meat or sausage in the stores. But other problems remain, the most important of which is high prices—which not every citizen of Irkutsk can afford. Last year city authorities afforded the joint-stock company Myasokombinat Irkutskiy benefits with respect to the profits tax. These benefits enabled the association to save millions. This money did not just lie around in enterprise coffers, but went for the purchase of new, imported equipment, which of course lays the groundwork for producing entirely new varieties of meat products. It is felt that the people of Irkutsk will rejoice at the prospect of their dinner table becoming even more diversified.

Alas, today the scientific-research institutes of Irkutsk find themselves in a difficult predicament as well. We must note that the position of the mayor and oblast center Duma is absolutely definitive—to support science and assist with orders for various studies. In order to preserve the uncommon equipment necessary for scientific-technological research, the Duma also adopted a resolution to lower property taxes for the joint-stock company Irgiredmet.

Boris Govorin also told deputies about his trip to the city of Khabarovsk, where a conference of the Association of Siberian and Far Eastern Cities [ASDG] was held. As we know, Irkutsk is a member of the ASDG, which unites 70 cities of Siberia and the Far East. Incidentally, Boris Govorin is vice president of the association. Discussed at the conference were problems of the organs of local self-government, issues of housing and municipal facilities management, and matters concerning the mutual relations between structures of authority and entrepreneurs and industrialists. It is possible we will have an ASDG seminar here in Irkutsk early in March, at which representatives of the cities will discuss matters involving support for and development of city economies.

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Irkutsk Oblast Administrative Soviet Meets

954F1640A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 2 Feb 95 p 1

[Article by Yuriy Pronin: "Everywhere Money, Money, Money..."]

[FBIS Translated Text] The weekly session of the oblast administrative soviet opened with a report from Yuriy Kustov, deputy chief of administration, on the course of implementation of a number of federal and local acts that envisage creation of a "baby food industry." In this regard, the regional program for 1992-1995 remains in effect for the Angara region. After two years of operation, however, financing was terminated in 1994. We managed to extract R3.361 billion out of the oblast budget for the current year. In addition, there are hopes of obtaining R17 billion from the budgets of cities and rayons, plus R10 billion from the federal treasury designated for the construction of baby food production facilities in Bratsk and Irkutsk. But for the time being the situation is quite alarming. For example, seven oblast territories have no means at all to provide for the free distribution of baby food.

Discussion shifted from the specific to the general—information from Yuriy Kustov as to how the directive of the Control Directorate of the Russian Federation President issued 26 December of last year, on the results of an inspection of the state of the entire complex of children's programs in Irkutsk Oblast, is being implemented (The text of the directive appears on page 2.). We may add the following figures to the many contained in this document: 70 school buildings—5 percent of the total number of schools in the region, are in a state of major disrepair, capital overhaul of which will require a minimum of R11 billion; while new construction will require another R17 billion. The administration intends to sum up all measures undertaken in the near future.

Incidentally, Yuriy Kustov is a "gray house" record holder, being a member of 17 (!) diverse commissions out of 49 made up of the entirety of members of the administrative soviet. A revision was made at the governor's directive, and henceforth there will be 32 commissions, including nine with Kustov. On the other hand, it was decided to enlist another deputy head in matters overall—Anatoliy Irgol, on the sidelines until quite recently.

The administrative soviet heard and approved the report of the Committee on Mineral Resources concerning its activity last year. The report was delivered by its chairman, Yuriy Garnik. Herein lies the root of all the problems—insufficient financing of geological enterprises, on the level of 10 percent of the 1991 volume, shutting down almost all prospecting operations. It is planned to correct the situation in the mining industry by shifting this year to substantive exploitation of the gold deposits in Bodaybinsk, Mamsko- Chuyskiy, and Nizhneudinskiy Rayons, and by preparing a raw material base for diamonds in the Angara region jointly with Roskomdragmet.

The question of obtaining conversion credits for enterprises of the military-industrial complex was discussed at the session. In 1994, the Irkutsk Aviation Production Association, the relay plant, Vostok Production Association, and Radian Production Association obtained just short of R10 billion, permitting them to remain afloat and even turn things around (though this is not the case with all). Prospects are hazy for 1995, however. The oblast leadership and directors of concerned enterprises will therefore have to work quite hard with the Ministry of Economics, through which the necessary funds are "broken loose." As far as state orders for serial purchases of armament, military equipment, defense scientific-research projects, and defense experimental design work are concerned, these will be obtained only by the Vostok Production Association and the aviation production association.

Following stormy discussion as to the fate of the Baykal Pulp and Paper Complex, the Baykal regional ecological-economic program was approved. All specialized scientific institutions of the oblast participated in instituting this program. The final goal of the voluminous listing of measures, for which R1.863 billion is expected to be allocated from the oblast budget for implementation in 1995, is "to ensure the purification and preservation of Lake Baykal, and the improvement of living conditions of the populace of the Baykal region." More detailed information about the Baykal program will appear in coming issues of VOSTOCHNO-SIBIRSKAYA PRAVDA.

Ust-Orda Buryat Okrug Unemployment Figures Viewed

954F1640B Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 8 Feb 95 p 2

[Article by Aleksandr Golosov, VOSTOCHNO-SIBIRSKAYA PRAVDA: "The Greedy Appetite of Unemployment"]

[FBIS Translated Text] Unemployment is a dangerous and cantankerous lady who turns up her nose even at the educated and certified. Whereas two years ago it was mainly untrained workers who were on the employment fringe, today it is specialists with higher and secondary specialized education. Of 1,532 people registered as out of work at the beginning of the year, those with diplomas in the autonomous okrug account for over 70 percent. Among them are doctors, engineers, agricultural specialists, and even proprietary farmers. This says something about the peculiar nature of our reforms, which are just incomprehensible. How can land and equipment be unnecessary to a market economy, when there is a shortage of agricultural products? Transportation, the construction industry, and the timber-processing sector are going through tough times in the autonomous okrug.

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Most timber industry enterprises and a significant portion of the kolkhozes and sovkhozes are on the verge of bankruptcy.

The number of drowning victims in the market flood exceeds by many times the rescue capabilities of the okrug employment service. An attempt is made here to distribute life jackets to those who are less stable afloat—the elderly, young people who have not established themselves, women—especially single women with babies. A decision of the Federal Employment Service dictates that job- position reservations and quotas be put into effect for them at enterprises. Last year this was done in only two of six rayons in the okrug—Bayandayevskiy and Nukutskiy.

The particular agricultural features of the okrug, where the main volume of work is seasonal, renders ineffective such unemployment safety valves as temporary work and public projects. Last year 130 individuals were put to work on such projects and over R15 million spent. During the summer period, 640 teenagers were brought in for work. Some R11 million was expended on their wages.

Retraining people who are out of work is one of the main orientations of activity of the employment service. Last year 67 individuals were sent to various courses for retraining—mainly for the occupational specialties of driver, crane operator, machine operator, construction worker, gas/electric welder, cook, barber, accountant, and farmer. About R30 million was spent on retraining.

R200,000 of this amount stands by itself. This is the amount allocated by the Alarskiy Rayon Employment Center to train a recent high school graduate as a driver. It was done at the request of the local Rayon Internal Affairs Division. As a result of idleness, the fellow was getting ever more solidly rooted in the path of lawbreaking. And were it not for this training, he would quite possibly be going to other "universities." After the training, this young driver was conscripted into the army.

The land—as the original mother of all wealth—protects villagers from landslide, unpredicted unemployment. The unemployment level in the autonomous okrug is quite moderate. By the end of last year, of the number of able-bodied persons in the okrug, 1.18 percent was unemployed. The highest level of unemployment—2.15 percent—was seen in Alarskiy Rayon, and the lowest—0.5 percent—was seen in Ekhirit-Bulagatskiy Rayon.

Economic Issues

Finance Minister Cites Favorable Terms for IMF Loan

LD1303120795 Moscow ITAR-TASS in English 1137 GMT 13 Mar 95

[By BUSINESS-TASS correspondent Robert Serebrennikov]

[FBIS Transcribed Text] Moscow February 13—The International Monetary Fund will grant the stand-by credit of 6.25 billion dollars for Russia on favourable terms, Russian Finance Minister Vladimir Panskov told BUSINESS-TASS. The minister noted that the arrangement would help Russia curb the inflation and the budget deficit without involving the reserves of the Central Bank.

Under the agreement between Russia and the IMF, the fund will grant the low-interest credit for Russia for a term of ten years. The IMF will start the crediting from April 1. The first 1.1 billion dollars will be provided for two months.

Gusev Urges Protection of Domestic Market

MM0703170895 Moscow KRASNAYA ZVEZDA in Russian 4 Mar 95 p 5

[Interview with Vladimir Gusev, chairman of the Russian Federation State Committee for Industry, Construction, Transport, and Power Engineering, by Aleksandr Yegorov under the "Topical" rubric; date and place not given: "The State Should Defend the Russian Producer"—first two paragraphs are introduction]

[FBIS Translated Text] The problem of defending our own market from being carved up in favor of Western competitors is today topical as never before. The absence of levers of control over imports, although it has enabled the internal market to be saturated with food products and consumer goods, has at the same time squeezed a significant number of home-produced goods out of the market. According to the official information of the Ministry of Foreign Economic Relations, the absence of a proper mechanism for utilizing a system of customs privileges has alone led to total budget losses in 1994 of 175 billion rubles [R]. Losses from the growth of unemployment and the degradation of Russian industry are invariably much higher.

Our correspondent Aleksandr Yegorov asked Vladimir Gusev, chairman of the Russian Federation State Committee for Industry, Construction, Transport, and Power Engineering, to comment on parliament's position on this problem.

[Gusev] It follows from the centuries-long experience of the market economy of the majority of the world's countries that the internal market should be one of the principal sectors for the state's attention and protection. But in our country over the past three years the market has virtually been handed over to foreigners. As a result, the share of imported goods in supplying the Russian market last year, 1994, came to 40 percent, and in some highly complex goods and in foodstuffs—up to 60 percent. Let me remark that in 1989 this figure did not exceed 5 percent, and in 1992 it was 10.3 percent.

Today we have lost the CIS and the former CEMA markets almost entirely. Enterprises are shutting down

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in their thousands, not being able to find a market for their products in their own country.

Who does not know the autogiant ZIL [Lenin Truck Plant]? What is happening to it? Where is its 100,000-strong collective? What are they doing? We recently visited the enterprise. Because of the lack of the appropriate funding conditions, neither the Army, nor the agrarian sector can obtain its trucks, which are excellently adapted to our conditions. The enterprise is dying. The same fate is overtaking many enterprises of intellectual labor.

What do the people responsible for Russia's economy, in particular for the internal market, say about all this? They say just one thing: Russian output is uncompetitive. I would like to say with all the authority at my command that, as regards the overwhelming majority of types of Russian goods and services (65-70 percent—A.Ye.), this is not true, to say the least. The level of production, contrary to the stubbornly disseminated opinion, is declining at an ever faster rate above all in the science-intensive, competitive sectors of the economy.

In the last year alone the reduction in the production of complex household equipment came to 30 percent. Whereas the downturn in industry as a whole was 20 percent. We are rapidly losing precisely those segments of the market in which we have already achieved world standards: in the defense and airspace sectors and heavy machine building. Here is just one example: Every year the oil and gas sector purchases equipment—standard equipment at that—at a total cost of $4 billion. This money could go to the Russian defense industry, which under the special conversion program has elaborated and prepared for production virtually the same equipment. But for some reason it goes to foreigners. To be truthful, it should be said that Russian equipment is inferior in its parameters to foreign equipment by an average of 15-20 percent. But it is on average five-ten times cheaper. And hence it is more competitive from the cost/efficiency point of view.

As for the 30-35 percent of Russian goods which really do not correspond to the requirements of international standards and are uncompetitive (this applies to consumer goods and goods produced by the processing and food industries), what is essential to improve them is the implementation of a modernization program, not the filling of the market with imports.

In our view the situation can only be rectified if the government stops disdaining management of the market and switches its priorities in economic policy to the national market. The government Commission for the Protection of the Internal Market now being set up—in which, incidentally, my colleague Sergey Yuryevich Glazyev and myself have been invited to take part—should help to overcome these deficiencies. For the legislative backup of this commission's work it is essential, amongst other things, to elaborate and adopt a whole series of laws, including laws regulating customs tariffs, and also measures to protect the Russian Federation's internal market in the implementation of foreign economic activity.

Arms Sales 'Not So Beneficial' as Claimed

MK1003093095 Moscow SEGODNYA in Russian 10 Mar 95 p 2

[Pavel Felgengauer report in the "Exhibition" column: "Arms Trade Is Not So Beneficial to Russia as Rosvooruzheniye Makes Out. Longstanding Partners Are Inclined To Pay for Submarines With Footwear While New Ones Are Disappointed With the Performance of Russian Tanks in Chechnya"]

[FBIS Translated Text] Yesterday Aleksandr Kotelkin, new general director of the Rosvooruzheniye state company for the export and import of arms and military equipment, for the first time since his appointment to this post met with representatives of the mass media at a press conference devoted to the international exhibition IDEX-95 which will be held from 19 through 23 March in Abu Dhabi. The general director said that Russia's arms exports in 1994 totaled merely $1.7 billion. Although no precise arms trade figures are usually published, it is known that in June 1994 Rosvooruzheniye submitted the following delivery data to a Security Council session: 1992, $2.329 billion; 1993, $2.504 billion; and the official forecast for 1994, $3.4 billion. The actual arms trade in 1994, however, proved to be only half of that. This result looks especially bad next to the success stories in arms exports in the eighties, when in some years supplies exceeded $20 billion.

It needs to be taken into account that billions of dollars worth of arms supplies do not at all mean that the country will immediately—or ever—actually receive the sums involved. High-level military officials from the Foreign Economic Relations Ministry and Rosvooruzheniye have been saying for the past three years that "Russia has moved from state deliveries of weapons to trading in arms." In reality, however, a substantial proportion of the transactions signed in recent years are reminiscent of traditional socialist state deliveries.

Russia has been supplying arms and equipment on account, toward the old Soviet state debts (to Hungary, Slovakia, Turkey, and so forth). So corporatized military-industrial complex enterprises now have to pay somebody else's debts, as though, just like under "advanced" socialism, they were part of a single national economic complex.

Trade with China, which in recent years has become the main importer of our weapons, also has quite a "socialist" character of direct reciprocal deliveries (barter). Russia has built four Varshavyanka-877 class (Kilo-class according to Western classification) diesel submarines. Two vessels were built in St. Petersburg, and two in Nizhniy Novgorod. For these enterprises, this has been the sole order in recent years which has been paid for at

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least in some manner. True, the directors of the Krasnoye Sormovo plant complain that 65 percent of the submarine contract is paid with jogging shoes and women's sandals whose soles come off within a month, and with other "trash which has yet to be sold." The overall volume of trade with China is measured in billions of dollars, and problems with selling the Chinese "trash" drive military-industrial complex directors to despair.

Arms trade with Russia's other main partner—India—is being done on credit, including the latest delivery of MiG-29 aircraft. New debts add to the old multibillion (in conventional dollars) Indian state debt which Delhi so far is ready to service also only in the socialist way: with counter-deliveries of goods. Military-industrial complex enterprise leaders have to trade not only in Chinese but also in Indian "trash" but they have not been particularly successful in this.

In old years, deliveries of Soviet weapons were also often paid for in foreign consumer goods. But at the time the internal market was not saturated with quality imports, as it is now, and there were no big problems with sales. Furthermore, arms purchases were financed from the state budget, and it was not arms export revenues that defined the military-technical policy of the CPSU Central Committee's Defense Department.

Now, according to the State Committee for the Defense Sectors of Industry, the domestic military industrial complex is 50 percent financed with exports. Apparently Chinese pasta and jogging shoes are not particularly good for reinvestment in the development of the defense sphere. Therefore our arms complex has an acute need for clients from among the Arab oil shaykhs who will pay real money.

More than 250 domestic officials, arms manufacturers, traders, and military will go to the exhibition in Abu Dhabi. Rosvooruzheniye's overall costs for the exhibition will apparently exceed $3 million. Aleksandr Kotelkin yesterday described IDEX-95 as "the main exhibit of the year." Many life-size arms prototypes will be featured at the Emirates, including the Gepard hovercraft, which will carry around spectators. However the not particularly successful actions by Russian troops in Groznyy in January 1995 called the actual possibilities of domestic hardware strongly into question. Two years ago the United Arab Emirates signed a multibillion contract for the purchase of the French Leclerc tank. The domestic T-80U tank produced a good impression in the Emirates but won not a single contract. Now, after Chechnya, it became clear to many that the Arabs made the right choice, buying a more expensive but more modern tank. To this exhibition, incidentally, Rosvooruzheniye is taking the Tunguska-M air defense gun and missile complex which has been used in the Chechen operation and on which it is pinning big export hopes.

The Russian delegation goes to Abu Dhabi to show that "our equipment is no worse or maybe even better than foreign hardware." A few officers who have fought in Chechnya will also be sent to the Emirates so that they can give "first-hand" accounts. However, explanations by officials from the State Committee for the Defense Sectors of Industry, Rosvooruzheniye, and the Defense Ministry so far do not sound particularly convincing, adding up to statements that "there are no wars without losses" and that "in Chechnya, our equipment was destroyed without our weapons." Aleksandr Kotelkin even hopes that successful actions by Chechen irregulars can help sales of our small arms and other light infantry weapons. But this will hardly compensate for the general moral and material damage from the winter campaign in Chechnya.

The majority of Russian weapon systems have proved incapable of operating at night and under foggy conditions. In the sphere of infrared target acquisition instruments Russia has forever lagged behind the developed countries. Problems with Russian arms export can hardly be explained only in terms of intrigue by malicious competition. In spite of all efforts and expenses for the exhibition in Abu Dhabi, Russia will apparently remain in that segment of the world arms market where missiles, tanks, and aircraft are paid for in butter, vodka, and shoes of dubious quality.

Duma's Ilyukhin Calls For Return of State Banks

MM0703124995 Moscow ROSSIYSKAYA GAZETA in Russian 7 Mar 95 First Edition p 2

[Interview with Viktor Ilyukhin, chairman of the State Duma Security Committee, by Yevgeniy Skukin; place and date not given: "Ready To Hire a Division"—first paragraph is introduction]

[FBIS Translated Text] Our correspondent Yevgeniy Skukin asked Viktor Ilyukhin, chairman of the State Duma Security Committee, to comment on the results of the investigation into the ROSSIYSKAYA GAZETA article "Snow Falling."

[Ilyukhin] I have always been worried by one element of our banking system and system of funding, which is undeniably typical of the activity of the "Most" group limited partnership. There is still a huge state sector of the economy and a state-, i.e. budget-funded system of organs in the country. But here is the paradox: All this, including the Armed Forces, is funded via commercial structures. Money ends up in commercial banks, does the rounds there a few times, and then, devalued, is sent to the consumer, to the corporate entity to which we allocate money out of our own budget.

Thus we give a group of people an opportunity to get rich. This band of people, primarily financiers, has grown stronger than ever. Today financiers and smart operators, as they themselves claim, are ready to hire a division or two and pay them more than the state provided that they defend them. At the same time they

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voice confidence that these divisions will be better at defending their money for them than those now fighting in Chechnya.

I have always had the following question, given that huge sums of money which do not come under the state's jurisdiction—I stress that we are talking about state money—are circulating in areas where they ought not to be: Why not restore the system of state banks? Even if they operate alongside the commercial system. Each to his own. Let commercial structures—joint-stock companies, etc.—be funded by commercial banks while state enterprises rely on the state sector of the economy. Given this clear demarcation, underground business will have neither the strength nor the opportunity to rise up against the state authority.

[Skukin] Viktor Ivanovich, do you then believe that financiers are nonetheless dying for power?

[Ilyukhin] You have to distinguish between several kinds of power. In principle people with money and property also have power. The fact that recently representatives of financial and industrial capital have directed their own representatives into structures of state authority is another matter. You can see that from the membership of the State Duma. I can tell you who lobbies for various banks and private business and who lobbies for state enterprises, etc. At the moment they are all their representatives. But today financial circles have grown so strong that they think that representatives are not enough; they are ready to be in power themselves. They have grown strong in every respect: They have finances, links within the country and abroad. Today they possibly have more financial resources than the government. I think that the government was premature in giving finance to commercial structures and commercial banks and is now standing with outstretched hand.

[Skukin] So, to rephrase the well-known saying, as long as we are in financial good health we can buy our way into power?

[Ilyukhin] Roughly speaking. The financial lobby has definite influence in military circles, and it funds the mass media and television. After all, this represents influence over people—something that is particularly important during an election campaign: It is a matter of shaping an authority structure that suits financial circles. We must not forget that the year of the State Duma election campaign is coming. The presidential election is not a long way off either. Everyone is displaying activeness today: representatives of authority structures and smart operators and financiers aspiring to power. In a word, all the political battles must be regarded today in the context of their striving for power.

Over-the-Counter Currency Trading Viewed

954E0625B Moscow KOMMERSANT-DAILY in Russian 3 Feb 95 p 5

[Article by Vyacheslav Sirotkin: "Commercial Banks Have Moved to 'Greener Pastures'"]

[FBIS Translated Text] [begin boxed passage] Leading market-maker banks, according to assessments of participants in the over- the-counter currency market: Imperial, Alfa-bank, MDM-bank, Alba Alyans, Rossiyskiy kredit, ONEKSIM-bank. [end box]

The magic phrase of the exchange rate broker "Fixing, gentlemen," pronounced every 15 minutes after the beginning of the exchange session, certainly does not mean that the work day for the currency dealers has come to an end and, having worked for the glory of their banks, they can go home with their soul at peace. In fact, after returning to their banks, many of them sit down at their computer monitors and depart in their minds to the world of the "over-the-counter currency market." Others, who have not yet joined the famous REUTER system "Dealing-2000," will be forced to resort to the aid of ordinary telephones and will spend the rest of the day in negotiations where the key words will be "buy, sell, how many and how much."

Just a year ago the center of the world called the "currency market" was the MICEX [Moscow Interbank Currency Exchange]. But since the middle of last year the banks have begun to conduct transactions more actively "bypassing the exchange," buying and selling currency at an exchange rate different from the one on the exchange, although it was tied to it. Last August the volumes of transactions on the over-the-counter currency market equalled the official exchange volumes and then exceeded them. Now the daily volumes of transactions of the largest banks—the market makers—frequently reach $300 million (for comparison, the average daily turnover on the MICEX during the past two weeks has been less than $70 million).

The main reason for such a drastic change in the market structure was the significant narrowing of the possibilities of highly profitable speculation on the exchange. Indeed, toward the middle of last year the Central Bank did increase its control over the exchange currency market. Since the very beginning the rules of exchange trading only permitted the banks actions aimed at reducing the difference between supply and demand during the course of the session. This did not contribute to bolstering the "gaming" spirit of the market participants. But in October 1994, after "Black Tuesday," the Central Bank introduced preliminary reservation of ruble funds. This finally undermined the possibilities for exchange speculators. The decision of the Moscow mayor's office to introduce a tax on exchange transactions involving currency and the imperfection of the system for exchange settlements also contributed to the decline of the exchange's attractiveness.

As a result, a situation developed whereby the Central Bank became the undisputed master of the situation at the MICEX, but in the interbank sector of the currency market the large market-maker banks call the tune. These banks, in the words of the not so large market participants, "can drive the exchange rate wherever they

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want to and... (unprintable expression—KOMMERSANT-DAILY) everyone on the interbank market just as the Central Bank did on the exchange."

Every day after the completion of the exchange session at the MICEX, the banks begin to conclude transactions on the over-the-counter market with "today" settlements. After 1400 the "today" transactions practically come to a halt and they are replaced by "tomorrow" transactions.

The most widespread type of speculative transaction on the over-the-counter market is the purchase of currency today and its sale tomorrow. As a rule, the market makers "hold" both sectors of the market—today and tomorrow—at the same time. A typical example of the large banks' game: After the completion of trading on the exchange some time after noon, one or several market makers raise the exchange rate of the dollar for transactions with settlements tomorrow to the "+100 points" mark from the official exchange rate and sell the currency. The next day they drop the exchange rate with settlement today, say, to "+70 points" from the official exchange rate of the preceding day and complete the reverse transaction, that is, they buy currency, receiving a profit of R30 on the dollar. Speculation is carried out in a similar way throughout the course of the day but, as a rule, with less profit.

As for the small participants in the market who do not have a possibility of maintaining bilateral quotations, their role in the interbank market usually amounts to following their "big brother." And the leading banks, as a rule, set certain limits on operations for the smaller contracting agents, that is, a small bank can buy or sell currency only for the amount of the quota allotted to it.

Most of the transactions of small banks on the interbank market (about 70 percent) are concluded to satisfy the bank's internal needs, while at the exchange trading sessions they conclude mainly transactions for client orders. And the bankers explain the large volumes of the transactions for client orders by the difficulties related to the need to explain to the client who wishes to buy or sell currency why his order is satisfied at precisely this and not another exchange rate.

Of course, the over-the-counter "games" of the banks do not escape the attention of the Central Bank, which at the end of last year began active operations in this sector of the market as well. As a rule, the actions of the Central Bank on the interbank market are aimed at smoothing out the fluctuations in interbank quotations relative to exchange indicators, which reduces the possibility of "exchange-interbank" speculation. This, incidentally, does not keep it from receiving significant profit. It is worth noting that in both the exchange and the interbank markets the Central Bank has much more advantageous conditions than the rank-and-file market participants and can have a much greater impact on the market. Certain banks, incidentally, consider it an honor to work with the Central Bank on the interbank market although, according to the assessments of the leaders, the country's main bank frequently allows delays in settlements and the rank-and-file market participants take a very cautious attitude toward it. There are exceptional cases as well. Thus a dealer from the Central Bank when requesting quotations from a commercial bank sometimes receives in response a laconic entry on the computer monitor: "Sorry, no limits." Such cases evoke a friendly laugh among the currency dealers.

Causes Behind Nonpayment, Bankruptcy Eyed

954E0620A Moscow ROSSIYSKAYA GAZETA in Russian 1 Mar 95 p 4

[Article by Dmitriy Grafov: "The Advantage of Being Poor: What Is Behind Enterprises' Insolvency and Bankruptcy"]

[FBIS Translated Text] It is becoming more and more apparent that our society is one in which the financial control mechanisms natural for a market economy have not taken shape. Even if the cover of state and military secrecy has become more transparent and we do not have occasion to run into the "First" and "Third" departments as frequently, new secrets—official and commercial ones—have made their appearance. And those hiding under their cover are not all the "perfect" entrepreneurs, by any means (as experience shows us now). From the viewpoint of a highbrow Cambridge economist, this may also be "denseness," since an honest, civilized market should be "transparent," but in the view of our sharp-witted merchants and directors, and now the presidents of AO's [joint-stock companies], transparency is not needed in the murky waters of the Russian market.

One requires analysis, and then everything will be open and plain. The others require accountability and indicators, and everything becomes dark and hidden right away.

What relationship does this have to bankruptcy? Two things are symptoms of bankruptcy—"management illness" and "business illness"; in the first case, something is not in order with the management of property, and in the second case, the cause lies in production, in the property, or in the strange conduct of the owner himself.

In six months of work by the Federal Bankruptcy Affairs Administration (FUDN), 41 of the 183 decisions quickly led to restoration of the enterprises' solvency. It seems that a miracle such as this is possible: A Moscow printing house with 200 people and working capital of R500 million—that means there is R2 million for each person; R200 in 1990 prices. Well, can it really be that the sum of funds for all the materials, paper, raw material, brooms, and coveralls added up to such a meager sum per worker? Yes, of course, there are nonpayments, a shortage of working capital, tears in their eyes, and cries for help from the government. But later the printing house employees have recourse, and unexpected profits developed suddenly from somewhere over the past month.

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This happens because the accounts department worked on net "cash," that is to say, ready money. People did not enter their transactions in the balance, and if someone made an entry somewhere, the sum was not debited. (This practice became widespread a long time ago.) They need only to begin to debit sums and close the "second accounts department," and the enterprise "recovers." This is a case when a business was not ill at all—production continued working and functioning... And it was brought down to "pre-bankruptcy" indicators by a management system that was not disinterested.

When the warning alarm sounds, an enterprise comes within the field of view of the FUDN and receives an appropriate document warning of insolvency and the beginning of the bankruptcy procedure—then a miraculous recovery follows. A temporary recovery. Temporary because there is still no stable mechanism for financial control, financial monitoring, and it is unlikely that the people (the managers, and in certain cases, the owners as well) will refuse to fish for "financial plankton" in troubled waters.

The moral and psychological factor of control, even if it is selective by the FUDN, changes the situation for the better, all the same. An analogy may be made with the GAI [State Motor Vehicle Inspectorate]—an inspector is on the street, he catches few violators while many more pass by, but his presence disciplines the public.

And the main types of decisions made by the FUDN are aimed at restoring solvency. This is the situation that is most frequent.

"There are cases when insolvency of an enterprise becomes the result of 'an imperfect system' (or an obsolete or cumbersome system) of management, or more precisely, an 'illness of management' by the sector heads," V. Golubev, deputy general director of the FUDN, tells us. "For example, the MPS [Ministry of Railways] has a lubricating grease enterprise, a conscientious, specialized enterprise turning out a product needed by the sector. But the specific nature of the sector itself is such that the enterprise was not independent in the full sense of the word, and although it had all the attributes of a legal entity, it was unable to dispose of profit independently. These are characteristics of the Ministry of Railways. And this plant turned out to be in dire straits because relationships within the MPS were not entirely correct. When the FUDN told the MPS leadership and the plant of its conclusions, MPS internal relations with the plant were changed, and this made it possible to quickly return debts to the enterprise. The enterprise had enough to settle with its creditors and its solvency was restored.

There are also unique cases when it is even difficult to say which illness—management or production—has hit harder. A classic example is the ZIL [Automotive Plant imeni Likhachev]. In the view of P. Karpov, deputy general director of the Federal Bankruptcy Affairs Administration, the plant turned out to be in a crisis for a number of reasons. The principal one was the distinctive ZIL mentality with regard to the entire hierarchical pyramid of employees, and especially its summit. A generation of people who grew up next to the Kremlin were not taught how to work correctly, and the are holders of all its decorations and traditions, they are the successors. At the same time, the enterprise is not capable of turning out a motor vehicle which can satisfy the market. It was driven so much by the force of inertia that it became drawn into obsolete projects.

The FUDN cannot consider the ZIL to be insolvent, although the state has 23 percent of its charter capital. And the matter is not even related to high-level politics (several presidential edicts on the ZIL were adopted). Even if the ZIL goes to the Kremlin for more aid. The government, the country, and the people simply must have bigger and finer examples: The ZIL is not "bankrupt" and it is being helped. Let everyone see what comes of this. Expensive? Well... The ZIL management is not without resourceful people: They are not opposed to bankruptcy, with all its privileges (and there is a sweet privilege, like a moratorium on debts), but without a public court decision to protect their reputation. As a last resort, there is something else to bargain with: There is the land, the social infrastructure, which was transferred to ownership by a special presidential edict. Will such a privilege be of benefit? More precisely, of benefit to whom?

By the way, in the reduction process in the bankruptcy procedure, claims from people whose lives and health were damaged by the enterprise's activity; plant employees with overdue wages; tax claims; indebtedness to the budget by those plaintiffs who have no liabilities provided for by a tax; and claims for debts from banks and enterprises which provided raw material are satisfied. The remainder is divided among the shareholders. But it should be remembered that under the law, an enterprise is considered bankrupt if the value of the property is less than the value of the debts. For this reason, a change in ownership always completes the bankruptcy process, and the stockholders—the current owners—should be uneasy first of all. Of course, if this is a deliberate self- initiated bankruptcy, that is, the owner himself is not "ill." But a "simulation" of owners takes various forms.

The small Astrakhan Liqueur and Vodka Plant "sent" a batch of vodka to Azerbaijan without prepayment a year ago. As a result, it did not receive a kopek. Officially. However, it is very difficult to believe that the shippers of the vodka were so naive in the current practice of commodity-money relationships.

Most likely the money went into an unknown account, but the plant management attributed insolvency to the disruption of economic ties. There are a great many cases of late payment (or nonpayment) for shipments of petroleum products for the country's development. This "item" accounts for more than half of the incurred debts

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of some oil refineries. The commodity is delivered (not to mention the ridiculous delivery price), but the money has not arrived. But perhaps it has arrived, only at another firm, and it is "circulating" there temporarily.

Here are some objective brush strokes in the overall picture of indebtedness to illustrate the problem of nonpayments as a whole.

The debts of enterprises investigated by the FUDN total 5-10 percent to the banks, 10-15 percent to the budget, and 5 percent to their own collectives for wages. All the rest (about three- fourths) are owed to similar enterprises. This shows the far-fetched nature of accusations that the state (the budget) are the main culprits of nonpayments.

Throughout the world the real estate market, primarily the market for land, is one of the main supports for steady market production. The basic method of borrowed financing and replenishment of working capital which exists all over the world is mortgage credit. When credit is on the security of land which belongs to an enterprise (!) it is given at low interest, inasmuch as the security of land is the best guarantee in the world that the credit will be repaid. And mortgage credit is precisely what makes it possible to create a financial lever for the entrepreneur. It is advantageous for both him and the creditor! In certain cases, mortgage credit may consist of up to 90 percent of the borrower's own funds.

According to different estimates, land in the Russian Federation makes up 80 to 90 percent of all real estate. But our land essentially has not been drawn into economic turnover and into civil and legal relationships, and with rare exceptions it is not a commodity. Hence mortgage credit is not possible.

Our enterprises have found another financial lever—the system of nonpayments. From an economic standpoint, this is a manifestation of objective economic law, when money costs more today than it does tomorrow under inflationary conditions. When credit indebtedness exceeds the incurred debt of nearly all domestic enterprises. But our "financial lever" does not operate to the mutual advantage of the sides, but clearly to the detriment of the one from whom the money was taken.

The privatization that is underway opens the possibility for at least some positive influence on the situation. The emergence of various owners establishes the prerequisite for a horizontal transfer of capital from one sphere of a business to another, where it is more advantageous to make use of the capital, where the greatest demand for goods and services is. For this reason, insolvency, including its simulation, either loses its economic meaning before long or it ends with removal of the bankruptcies.

German Company Acquires Newsprint Combine

954F1637A Moscow IZVESTIYA in Russian 3 Mar 95 p 2

[Article by IZVESTIYA correspondent Yelena Yakovleva: "Largest Newsprint Manufacturer in Russia Now Owned by Foreign Companies"]

[FBIS Translated Text] Nizhniy Novgorod Oblast—**One of the largest Russian newsprint manufacturers—the Balakhna combine—is now in the hands of foreign companies, but has gained an investment package of $150 million.**

Only three major combines in Russia specialize in the manufacture of newsprint—in Solikamsk, Kondopoga, and Balakhna. The economic situation of the Balakhna combine in Nizhniy Novgorod Oblast about a year ago was dismal. "Production of newsprint, which before perestroyka reached more than 500,000 tonnes a year, has declined by 45 percent," says the combine's general director Vasiliy Lapukhin. Plants were idled; people became upset.

There was, however, an economic twist to this no win situation: Back in the times of the planned economy the combine began installing "paper machine No. 8," of which specialists said: "There are only a few like this in the world." Its cost in old prices: R167 million. In the director's opinion, without this machine the combine had no future, and despite all the difficulties, continued building it. In the end, however, construction was suspended because of lack of money. The remaining financing for the construction was provided—or rather, the credit necessary to complete the work guaranteed to the bank—by the German company HIT, a subsidiary of Herlitz International Trading AG, Germany's largest paper manufacturer and wholesaler.

The combine was privatized under the second privatization option: The labor collective kept 51 percent of the stock, and the state—49 percent, of which 29 percent was sold for vouchers and 20 percent was intended to be sold at an investment auction. The firm that bought the stock at the auction had the right to double its charter capital and take it all on condition that it immediately pay in more than half of the investment. This firm was the HIT company, which offered $12.5 million (it later bought another 27.5 percent of the stock from company employees). Along with it, others joined the consortium running the paper combine: International Financial Corporation [IFC], First National Bank (Boston, United States), and others. As a result, four groups of stockholders were formed: enterprise employees—10 percent; IFC—25 percent; HIT—33 percent; and passive foreign stockholders whose names are not disclosed—32 percent.

The consortium's intentions are most resolute and generally transparent: A package worth $150 million has been put together to finance the enterprise; of that, $86 million will be direct IFC investment. This is the largest

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investment project being implemented in Russia's industrial sector, and the first one not related to oil and gas production, emphasizes Governor Boris Nemtsov. It is envisaged that by the end of 1996 the combine will manufacture 520,000 of newsprint a year, of which 337,000 tonnes will be exported. The share of paper going for export will increase (in 1994, of 270,000 tonnes produced, 140,000 were exported), but because of the total production increase domestic consumers should not feel the pinch: 183,000 tonnes for the domestic market in 1996 is still more than the 130,000 tonnes in 1994.

Most plant employees are happy: Of 18 women encountered on the streets of Balakhna, 12 were wearing black kid fur coats; local stores have lately sold unheard-of quantities of rugs and refrigerators. The cause of Balakhna's wealth are the shares sold by employees to the HIT company at $3 per R100 share.

Two lingering circumstances, however, keep Balakhna's privatization from being unanimously judged a boon. Doubts that the investment bidding was conducted aboveboard (local journalists maintain that contenders were put off by formal cavils and this drove down the combine's "price"); and the concern that a very large Russian manufacturer that holds almost a monopoly position has ended up in the hands of foreign companies, which are more oriented towards selling the paper abroad.

To this, Klaus Jurgen Leipold, member of the HIT concern board of directors, replied: "Germany produces 13 million tonnes of paper, 12 million of which is produced by Swedish, Finnish, and American companies. The reason is that the paper industry requires such great investment that only international-level corporations are able to carry it out. But nobody in Germany cares whose combines these are—domestic or foreign."

Oil Lobby Concerned Over Pending Export/Excise Tax Changes

MK1403124095 Moscow KOMMERSANT-DAILY in Russian 14 Mar 95 p 1

[Report by Marat Salimov: "Oil Generals Are Leaving Winter Apartments"]

[FBIS Translated Text] The fourth session of the Oil Producers Union Economic Council, which took place 11 March, ended on an alarming note. In spite of the fact that during its course a pending reduction in export oil duties was announced, the information about a simultaneous increase in the excise tax on oil sales once again reminded the participants of the words spoken at an expanded session of Fuel and Energy Ministry Collegium in February: The freedom of enterprises is the freedom to implement tasks that the state sets before them. Being the backbone of the economy and the main source of hard currency revenues, the fuel and energy complex can see itself free only in dreams. Nonpayments and the state fiscal policy relegate the sector to the honorable role of a donor, which it plays and will continue to play contrary to its will. This is why the determination sharply to intensify lobbying for its interests in the power bodies, which was announced toward the end of the session, leaves no hopes for a substantial change in the place which the fuel and energy sector is assigned in state economic policy.

True, on the surface everything looks fairly decent. The cozy mansion on the Sofiyskaya Embankment, which became the headquarters of the union, by its proximity to the Kremlin demonstrates the influence of the oil lobby. Nonetheless all the key questions discussed at the session were raised by Oil Producers Union members also last year and two years ago: completing the structural perestroyka, improving the system of payments and financing, reforming the tax system, liberalizing pricing policy, and upgrading transport routes and international terminals. In spite of all the efforts, the union failed to bring about a radical improvement in operation conditions for the sector, although one could agree with its leadership that without its fight for "oil producers rights" these rights would be have been violated even more often. On the other hand, apparently there is reason to talk about a relative well-being of the oil generals, who have not been affected by the crisis to such an extent as to mount the barricades.

Even so, the economic council session can be regarded as a stage in preparation for the union's May congress, which is to work out a long-term strategy for its actions. The "oil lobby" must be given credit for being self-critical. In the course of the session it was noted more than just once that the protection of interests both at the government level and in the Federal Assembly is so ineffective that the leading sector of the Russian economy is on the verge of crisis. In this connection the intention was announced to promote its representatives in parliament and executive power bodies. This will apparently become one of the main issues at the May congress, six months after which elections to the State Duma are to be held. So far the Economic Council session decided to create a special commission from among representatives of companies, associations, and oil refineries whose main tasks will be to promote cooperation between companies, protect oil producers' interests in federal administration bodies, and—which sounds quite enigmatic—establish partnership with the local authorities. The slogan "to expand access to resources and markets," couched in a very Western style, was made loud and clear.

As could have easily been predicted, foreign economic activity was not ignored either. Export conditions have always been one of the oil producers' main concerns. According to Eduard Grushevenko, vice president of Yukos (and former first deputy minister), a sharp reduction in oil export duties should be expected in the very near future. As KOMMERSANT-DAILY's correspondent managed to find out in the government apparat, as

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of 1 April export oil taxes can be reduced from 23 to 15 ECU's per tonne. However—by way of "compensation"—it is planned to increase excise taxes on its sales. If the government decision is adopted in this shape, budget losses from lower duties can be almost fully compensated for by higher excise tax revenues.

Depending on the size of the excise tax, the implications of this fiscal maneuver will vary. Thus, a situation can arise when it will be more beneficial for producers to sell extracted oil on the domestic market, which, on one hand, will lead to a reduction in export volumes, and on the other, to a decline in extraction. This trend worries the oil producers the most. Their misgivings are also caused by the fact that a major condition for the sector's upturn and for creating vertically diversified companies is the attraction of foreign investors in oil and gas production. If the export of these products is unprofitable for them, even with a production- sharing law, nothing will be able to maintain their interest in direct investments in the industry. Given its economic importance, the presidential slogan "from an inflationary past to an investment- rich future" will in this event become even more hazy.

Gold Production To Increase

LD1403135195 Moscow ITAR-TASS in English 1248 GMT 14 Mar 95

[FBIS Transcribed Text] Moscow March 14—Russia is planning to increase gold production this year by 10 percent, up to 149 tones, the London-based periodical BUSINESS DECISIONS said in its latest March issue citing chairman of the Russian Committee for Precious Metals and Stones Yevgeniy Bychkov.

The projection is based in information from 18 gold prospecting regions in Russia, Bychkov said. Most of them plan to increase production and have the capability to do so.

Gold production reached 126 tonnes in 1991. It went up to 136 tonnes in 1992, and further up to 139 tonnes in 1993 before falling to 136.6 tonnes in 1994, the periodical said.

"At present the Russian gold mining industry is switching from predominantly mining placer gold deposits to gold ore deposits, the periodical quoted the Russian official as saying

The Geological Committee of Russia estimates that 70 percent of gold in the country is in ore deposits. The biggest known gold ore deposit in the world is in Sukhoy Log in Russia. But in order to extract gold it is necessary to provide substantial investment.

At the moment the Russian Government does not have enough money in the budget to finance new big projects in gold mining, Mr. Bychkov said. But the government is expected to be giving special guarantees for foreign investors which will allow them to receive part of the gold in bars.

Corrective Labor Colony Faces Lack of Funds

954E0617A Moscow RABOCHAYA TRIBUNA in Russian 1 Mar 95 p 4

[Article by RABOCHAYA TRIBUNA correspondent Vladimir Androsenko: "Crisis of the GULAG: Magadan Colonies Have Been Left Without Funds for Survival"]

[FBIS Translated Text] Magadan—**Many Magadan residents were stunned recently by the announcement of General V. Povazhnov, head of the oblast internal affairs directorate, that the internal affairs directorate has raised the question of the closure of collective labor colonies in Kolyma. Can it be that crime in the oblast and in the country has been completely rooted out and that the necessity for such corrective institutions has fallen off!**

Certainly not. As statistics show, the level of crime here is for all practical purposes not declining. But then, crime solving in the past year has increased by 8 percent, which has even led to an increase in the number of those convicted. Today in Magadan collective labor colonies there are almost 1,400 persons—one of every 200 Magadan residents. And if one considers women and minors, who are transported to other regions to serve out their sentences, the correlation amounts to one in 150. So an insufficient convict pool poses absolutely no threat to the camps here. What, then, was the reason for such an unexpected problem to arise?

There is only one reason: a lack of funds. The profound economic crisis that has struck the country could not have failed to have had an effect on the camp sphere as well. Earlier, convicts were maintained in large part at the expense of production activity. At that time on average, 85 percent of the inmates went to work, providing for a stable inflow of funds.

Today there are no orders. Construction in the oblast is practically not carried out. Dozens of enterprises are closing, and whole settlements are being eliminated. The colonies could still produce something for the still-remaining mining and ore-dressing combines and gold-prospecting artels in Kolyma and Yakutsk, but delivery to the consumer makes any manufactured article literally golden, immovable. And for that reason a heavy silence has fallen on the industrial camps, broken only rarely by small, one-time contracts. According to data of the oblast corrections services, the number of convicts taken out to work now does not exceed 50 percent.

Last year, of the R23 billion necessary for the Magadan colonies, only R11.4 billion was earmarked. Of course, this was spent first of all on food, clothing, and heating for those inside the camps. It may be poorly, but life conditions are guaranteed by law. Whereas those who guard them and rehabilitate them often find themselves in a much worse situation. People do not receive their

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wages for months at a time, and their families experience deprivation. Add to this the inevitable isolation from society, and it becomes clear why a great shortage of cadres is being felt in the corrections service.

So perhaps it really does make sense to think about closing at least part of the Kolyma camps? Of course, this cannot be done without major one-time losses. For example, the elimination of the colony in the settlement of Talay alone, according to approximate calculations, will come to R2 billion. And R8 billion more in fixed capital will be lost. But the reformers have already trained the Northerners to such losses, in closing settlements "with bad prospects." The process of the fading out of the north has taken on an irreversible character.

At one time, broad development of the north began with convicts. Today their slavish, forced labor is not being used here. But the northern regions now have neither the resources nor the ability to maintain the convicts. And for that reason it is not at all impossible that the symbol of the GULAG—Kolyma—will soon be left without camps.

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International Affairs

Kuchma Addresses UN Conference in Copenhagen

LD1303183595 Moscow INTERFAX in English 1625 GMT 13 Mar 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] [No dateline as received]— Ukraine shares the United Nations' basic approaches to social development, President Kuchma told the U.N. conference on socio-economic development in Copenhagen on Saturday [11 March].

The concept of stable social development, oriented to human needs, which is reflected in the draft declaration and program of action (the final documents of the conference) "is consonant with our look on ways of tackling the current socio-economic problems in Ukraine," said Kuchma.

He expressed confidence that this can be ensured only "if joint efforts are made on the basis of active partnership between the government and society."

The universal character of the conference gives the world a unique chance to begin qualitatively new partnership between nations in solving socio-economic problems, he went on to say.

The world experience shows that the security of an individual can be best guaranteed by a democratic state with a market economy and a society which respects human rights and freedoms and where the individual is an active creator of his own future, said Kuchma.

Ukraine has embarked on this road, he went on to say. One should take into account, however, that in the former Soviet Union, in the absence of democracy and private property which lasted for 70 years, the population's market-oriented mentality was practically ruined.

Ukraine, like the other former Soviet republics, has to solve the problems of double transition from totalitarianism to democracy and from a centralized to a market economy. Moreover, Ukraine is to revive its national originality and become consolidated as a nation, said Kuchma.

Speaking about the economic crisis, which Ukraine has inherited from the former Soviet Union,, he said that the catastrophic price rise on energy and fuel over the past four years has created an unprecedented situation: the external and internal inflation has caused prices to increase 30,000 - 40,000 times. "The crisis has aggravated social and economic problems which are threatening to evolve into a national catastrophe and demand qualitatively new approaches and resolute action," Kuchma continued.

He said in this connection that the new socio-economic and political strategy of reforms, which he proposed and which was welcomed by the parliament, is oriented to a strong social policy.

The scope and specific nature of the problem facing the countries with a transitional economy necessitate a broad international support which can make the reform irreversible and guarantee peace and stability.

Kuchma thanked the U.N. leaders for giving worldwide support for the countries with a transitional economy.

During the conference Kuchma held talks with some of the world's leading politicians.

His one-on-one talks with Russian Prime Minister Viktor Chernomyrdin in the Russian embassy in Copenhagen dealt with the problem of Ukrainian-Russian relations and with President Yeltsin's forthcoming visit to Kiev.

Kuchma told journalists after the talks that the question of IMF representatives' participation in the Ukrainian-Russian talks on debts is to be decided by Russia before March 20-21. This is the term advanced by the IMF and "I'm glad that this question has been raised this way," said Kuchma.

He also announced that Chernomyrdin had promised him to hold a conference on March 15 "to solve all problems pertaining to the drafting of the Ukrainian-Russian documents."

"I don't accept the question of dual citizenship, and I will not hold talks on the matter with anyone," he said. At the same time, "the problem of the Black Sea Fleet must be solved as soon as possible," he added.

He said that IMF Managing Director Michel Camdessus had assured him that the IMF "ranks the problem of the Ukrainian debts to Russia among the first priority issues".

With U.S. Vice President Albert Gore Kuchma discussed U.S. financial aid to Ukraine, including the possibility of giving Ukraine a new credit for the development of agriculture.

"I could see that relations between Ukraine and the U.S. are of a long-term not momentary nature," Kuchma told Interfax after the talks. He confirmed his invitation to Bill Clinton to visit Ukraine at any suitable time.

With his Turkish counterpart Suleyman Demirel Kuchma discussed prospects for the development of the Black Sea Economic Community. A source in the Ukrainian delegation quoted the Turkish president as saying that this region must become a zone of peace.

Kuchma stated that he would make every effort to solve the problem of the Black Sea Fleet which, he said, will help turn the Black Sea into a peace zone.

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Turkey pledged to support Ukraine's moves to join the Council of Europe. Demirel also thanked Kuchma for his assistance in the return of Crimean Tatars to Crimea.

Dubinin in Kiev To Negotiate Yeltsin's Visit

LD1303192895 Kiev UNIAN in Ukrainian 1245 GMT 13 Mar 95

[FBIS Translated Text] Borispol Airport—Yuriy Dubinin, Russia's deputy minister of foreign affairs, arrived in Kiev on 13 March.

According to Kostyantyn Hryshchenko, Ukraine's deputy minister of foreign affairs, the Russian official came to set the stage for President Boris Yeltsin's official visit to Ukraine scheduled for late March.

Speaking to journalists, Mr. Dubinin did not reply to the question whether he would negotiate postponing the Russian president's visit, but said: "Ukraine and Russia will have friendship and cooperation in spite of all." He is returning to Moscow later in the day.

UNIAN is informed that Oleg Soskovets, Russia's first deputy prime minister, plans to visit Kiev on 16 March.

Kuchma, Dubinin Discuss Black Sea Fleet

LD1303193695 Moscow INTERFAX in English 1826 GMT 13 Mar 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Mar 13 (Interfax - Ukraine)—Ukrainian President Leonid Kuchma and Russian Deputy Foreign Minister Yuriy Dubinin discussed only the Black Sea Fleet issue during their meeting in Kiev today.

Kuchma told Interfax - Ukraine in an interview that this was practically the only stumbling block in Ukrainian-Russian relations.

Kuchma said his meeting with the Russian diplomat was "good and useful." Commenting on the positions of the parties, he said he could not affirm either that they were the same or that they were opposite one another. He said there were issues to resolve. He said he believed that Ukraine and Russia would manage to resolve the problem.

Kuchma said the parties had confirmed during the meeting that "the Russian part of the Black Sea Fleet will be based in Sevastopol." Earlier, Russia had insisted on the following wording of this issue, "Sevastopol is a base of the Russian part of the Black Sea Fleet."

Kuchma said the Black Sea Fleet issue should be resolved before the Russian president's visit to Kiev.

Kuchma said that the agreement on restructuring the Ukrainian debt to Russia must be signed before March 20. He said this was a condition set by the IMF.

Metal Production Discussed With U.K. Firms

WS1303123895 Lvov INFOBANK in English 0919 GMT 10 Mar 95

[From the "News Service" feature]

[FBIS Transcribed Text] A delegation from the Ukrainian Ministry of Industry and the state enterprise UKRKOLORMET (Ukrainian Color Metals) visited the Metals Exchange in London and talked with the management of the German company Metallgesellschaft GmbH. The latter offered to render brokers' services during sales of color metals through the London Metals Exchange, as well as certificate services and warehouses. This information was provided to INFOBANK by the Deputy Minister of Industry, Serhiy Hryshchenko. He said that the Ukrainian delegation also had talks with another company which is a member of the Exchange, the British company Barclay Metal Ltd. However, the management of this company considers all the CIS countries to constitute a zone of "high risk." Hryshchenko still believes that the company can approve some Ukrainian investment projects which involve the production of aluminum, provided these projects are guaranteed by the government. During the meeting with the representatives of the International Research Group on Zinc and Lead it was agreed that in the near future this group will consider the possibility of making investments in the construction, technical renovation, and reconstruction of enterprises for the production of zinc and lead in Ukraine. One of the firms which is a part of the financial-industrial British group Trafalgar House expressed a desire to send part of their orders to Ukrainian machine-building plants and get acquainted with the work of machine-building plants in Novokramatorsk and Starokramatorsk.

National Affairs

Kuchma: Elected Bodies Should Work Out Term

LD1403095495 Kiev Radio Ukraine World Service in Ukrainian 0600 GMT 14 Mar 95

[FBIS Translated Text] I am in favor of all bodies elected by the people working out their term. Ukrainian President Leonid Kuchma reacted thus to journalists' questions about Nursultan Nazarbayev dissolving the Kazakh parliament. I am convinced that if we were to act thus with our Supreme Council [parliament] and elect a new one in four months time, there can be no guarantee that the newly elected one will be better. This is true in any country, he said. Always, especially in the states which are former republics of the former USSR, those who make unrealizable promises to immediately improve the people's lives win a majority. So I am not certain that the parliament in Kazakhstan, which has worked practically only one year, will be better either, the Ukrainian president noted. In Leonid Kuchma's opinion, one should still search for possibilities of cooperation, so that true concern about people and not political ambitio is the priority.

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President Orders Reprimand for Deputy Premier

LD1303155795 Moscow ITAR-TASS in English 1540 GMT 13 Mar 95

[FBIS Transcribed Text] kiev March 13 UKRINFORM-TASS—By a decree of the Ukrainian president, Deputy Prime Minister, Igor Mityukov, was reprimanded. This reprimand was given to the deputy premier by a proposal put forward by the coordination committee on the struggle against corruption and organized crime for an unpunctual and incomplete fulfillment by igor Mityukov of the Ukrainian president's decree "on urgent measures on returning to Ukraine currency values which are illegally kept outside the country" and the president's assignment to establish a due order in carrying out foreign economic activities and a currency control, as well as low exactingness to officials working in these spheres.

The Ukrainian president commissioned Yevgeniy Marchuk, acting prime minister of Ukraine, to resolve a question of penalizing other officials who are to blame for the inappropriate implementation of this decree's requirements and the president's assignments.

Kuchma Edict on Funds for Fuel-Energy Complex

LD1303170995 Moscow INTERFAX in English 1549 GMT 13 Mar 95

[FBIS Transcribed Text] KIEV, Mar 13 (Interfax-Ukraine)—Ukraine's President Leonid Kuchma has signed a decree "On urgent measures, financial and credit guarantees for the fuel-energy complex in 1995."

In keeping with the document, the republic's Finance Ministry is to earmark within two weeks for the Ukraine Nuclear Energy Committee the funds necessary to complete construction and assemblage at the sixth power unit of the Zaporozhyie nuclear power station and make it operational in the second half of this year.

The decree also provides for a stabilization fund to be raised for the country's fuel-energy complex. The government has been asked to attend to these matters.

Fuel and energy enterprises are allowed to use as turnover funds part of amortization deductions from the basic funds, indexed in amounts, determined by appropriate ministries and departments.

Appeal to Communists for Constructive Cooperation

LD1303131895 Kiev UNIAN in Ukrainian 1710 GMT 11 Mar 95

[FBIS Translated Text] Kiev [no date as received]—"The experience of many countries shows that leftist parties can play an important role in the establishment and development of socially oriented democracies. I am certain that there are many supporters of constructive cooperation with the president in Ukraine's communist movement, who do not wish to see confrontation, but fruitful cooperation for the sake of the people of Ukraine," Ukrainian President Leonid Kuchma noted in his message to the second congress of the Communist Party of Ukraine.

According to the Ukrainian president, the pain and suffering of the people, whose lives have got worse, meet with a heavy response in his own soul.

The Ukrainian president sees as his main strategic task the creation of a society in Ukraine, in which every individual would have the greatest space for realizing his own forces and abilities, in an evolutionary way and without social force.

Communists Will 'Transfer Power to People'

LD1303114995 Kiev UNIAN in Ukrainian 0800 GMT 13 Mar 95

[FBIS Translated Text] Kiev—Petro Symonenko, who was reelected as first secretary of the Communist Party of Ukraine [CPU] Central Committee on 12 March, stated at the second CPU Congress that the Communists are prepared to cooperate with the president only on the basis of the Communist Party's program: "to go forward means to transfer power to the people."

According to Symonenko, the CPU is an avant-garde type party, which will use all possible legal means to struggle for the interests of the people.

Communists Want To Abolish Presidency, Restore USSR

LD1303135395 Kiev UNIAN in Ukrainian 1020 GMT 13 Mar 95

[FBIS Translated Text] Kiev [dateline as received]—Keeping councils of workers, building socialism, and reviving the union of fraternal peoples are the three postulates laid down in the Communist Party of Ukraine [CPU] program, which was discussed at the second CPU congress on 11 March.

According to Petro Symonenko, first secretary of the CPU's Central Committee, work on the draft program considerably activated communist opinion in Ukraine.

According to his information, over 10,000 proposals on the draft program were received by the CPU's scientific and theoretical center.

In accordance with the program, the communist movement in Ukraine aims to eliminate the institution of the presidency, transfer power to councils of workers, restore popular control in the sphere of economic activity, and restore the union of sovereign socialist states on voluntary principles. The communists are planning to achieve these aims by mass actions of disobedience, rallies, strikes, and so on.

In the opinion of the program's elaborators, under these conditions the parliamentary group of communists will

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manage to ensure the restoration of a socialist form of management and introduce the priority of state ownership of production means.

The CPU program will go through the approval process on 12 March.

Six Deputies Take Leadership Posts in Communist Party

LD1303222695 Kiev UNIAR in Ukrainian 1640 GMT 13 Mar 95

[FBIS Translated Text] Kiev, 13 Mar—The following deputies have been elected to leadership posts in the Communist Party of Ukraine [CPU], UNIAR learned from the Supreme Council's Communist group: Petro Symonenko as first secretary of the CPU Central Committee, and Kateryna Samoylyk of Kherson Oblast and Petro Tsybenko of Lugansk Oblast as Central Committee secretaries. The party's 11 Presidium members also include deputies Hennadiy Dolzhenko, first secretary of Chernigov Oblast party committee; Yuriy Syzenko of Zaporozhye; and Mykola Kashlyakov, first secretary of Kharkov Oblast party committee.

Commentary on Marchuk Appointment

954K0514A Kiev UKRAYINA MOLODA in Ukrainian 3 Mar 95 p 1

[Article by Dmytro Lykhoviy: "Masol's Retirement Has 'Crept Up Unnoticed,' and the Sky Is Now the Limit for Yevhen Marchuk"]

[FBIS Translated Text] The thing that was meant to happen long ago happened the day before yesterday: Having talked one-on-one with Leonid Kuchma the day before, Prime Minister Vitaliy Masol submitted his resignation. The reason given was retirement. Thus, after protracted hesitation, the "trump card" which Leonid Kravchuk had pulled out of his sleeve a few days before the second head of state was elected was, after all, covered by the new president who does not exactly see eye-to-eye with the "Reddish" Vitaliy Andriyovych.

As Volodymyr Lanovyy, one of the leaders of the Reforms parliamentary faction, has already managed to state in an interview to the UNIAN [Ukrainian National Information News Agency], the resignation of Vitaliy Masol will not affect Ukraine's economy adversely because he did not influence economic processes a lot. It is another question whether the 68 year-old "resigned" prime minister will drag along those who have influenced such processes, after all. With this in view, the Communo-Socialists name as candidates Viktor Pynzenyk, the deputy prime minister for the issues of economic reform, and Roman Shpek, the minister of the economy. In all of this, not just the left wingers who have been "orphaned" without their "trump card" at the head of the vertical executive chain of command in the Cabinet, but to a considerable degree right- wingers, too, come out in favor of the entire government resigning. It is better to start from scratch late than never, they say. Besides, given this arrangement, the president will be able to devise an integrated structure for managing the economy and truly assume responsibility for the situation in the state.

If we rise above the parliamentary medley of disparate party ambitions and look at the somber edifice of the Cabinet of Ministers we will see that more or less ranking officials who throw a wrench in the works of the president's desire to take the heat himself can be counted on the fingers of one hand (two hands at the most). For Leonid Kuchma who has already "staked a claim" to the controlling interest in the government's stock for like-minded people, it is simpler to go on replacing the undesirables "on the quiet," i.e. one by one. It is another matter how the Supreme Council, in which the attraction of the romanticism of left-wing barricades is sometimes quite potent, will respond to this. As far as that is concerned, the people's deputies who are thirsty for the blood of the entire Cabinet of Ministers just cannot fail to figure in the fact that if the "consensus-impaired" Supreme Council does not find it in itself to approve a new composition of the government (which is quite probable), consignment to oblivion awaits it.

Meanwhile, it appears that the sky is now the limit for the former deputy prime minister: At the meeting of the Cabinet of Ministers during which Masol uncrowned himself, Mr. Kuchma handed to Mr. Marchuk the regalia of acting prime minister. The president has thus proven yet again his devotion to the aforementioned "on-the-sly" technique and revealed that he is not even thinking about abandoning the concept of still leaving the prime minister in the government "to run things." The same is confirmed by sources in the presidential administration: Most likely Kuchma will nominate Yevhen Marchuk to the post of prime minister to be confirmed by the Supreme Council after he acts as prime minister for one month.

Such a change in ambience at the apex of power had been predicted and projected, although with some slips of the tongue. The meteoric rise of Yevhen Kyrylovych from the position of the SBU [Security Service of Ukraine] chairman to the quite slippery office of the person in charge of Ukrainian-Russian relations and combating crime drew tumultuous applause: Yevhen Marchuk has successfully accomplished tasks which were new to him and which had proven difficult for his predecessors. The firm and yet not hardline position of Marchuk as the person in charge of our relations with Moscow caused many Russian newspapers to prophecy that Marchuk would be the third president of Ukraine. Telling fortunes from newspapers and in newspapers is a quite thankless pursuit. However, the competence of such predictions may be confirmed as early as March if Marchuk displays ability as acting prime minister. Anything might happen in this world—he will up and prove it. The Ukrainian establishment is already calling Yevhen Kyrylovych, while not an economist, a person capable of uniting all

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political forces and doing everything for the advancement of reforms. For example, Chairman of the National Bank Viktor Yushchenko figures that such changes in the government will make it possible to achieve the desired compromise between the National Bank of Ukraine and the Cabinet of Ministers. All we can do is wait, just as after each new appointment. If we figure that Marchuk's ascent to yet another rung occurred on the first day of spring and look for some kind of symbolism in it.... The temptation is great, but for now let us wait and work.

Unions Accuse Government of Delaying Tariff Agreement Talks

LD1303223495 Kiev UNIAN in Ukrainian 1930 GMT 13 Mar 95

[FBIS Translated Text] Kiev [no dateline as received]—Trade union representatives at the negotiations on the 1995 general tariff agreement have written to Acting Prime Minister Yevhen Marchuk expressing concern at the government's deliberate delaying of the talks, the press service of Ukraine's Federation of Trade Unions told UNIAN.

The letter says that the last meeting of the negotiating commission took place a month ago and that the talks are virtually at a standstill. The government side is delaying discussion of the agreement clause on taxation, avoiding resolution of eight other disputed points, and postponing further meetings.

Union representatives have urged Marchuk to use his influence in the situation, since delays in the talks are causing a negative effect on agreements and collective contracts at all levels.

Defense Official: Internal Strife Threatens Security

LD1303201395 Moscow INTERFAX in English 1902 GMT 13 Mar 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KHARKOV, Mar 13 (Interfax-Ukraine)—There is no external threat to Ukraine's national security today, although the country "does have certain problems" with Romania, Poland and Russia over border demarcation, said the head of parliament's Defense and National Security Commission.

What does pose a danger is the country's internal political strife, Vladimir Mukhin told Interfax-Ukraine in Kharkov. "Those attempts to set the president against the Verkhovna Rada (parliament) and the Rada against the president, those discussions about whether we need a prime minister - it's all that fanning of passions that poses the greatest danger," he said.

"Contradictions between branches of government must exist and do exist in all civilized countries, but there nobody discusses in earnest what is the best way to oust Congress or the Senate," Mukhin said.

Relations between Ukraine's legislative and executive branches must be based on the new constitution, which should be adopted as soon as possible, he said.

One "dangerous tendency" is that "systematic work is underway these days to discredit the parliamentary leadership," Mukhin continued. The arrest of Viktor Bozhenar, aide to Parliamentary Chairman Oleksandr Moroz, is evidence of this, he said.

"If there were some compromising material against Moroz, it would have been put to use long ago. Moroz is one of the few leaders who have no support among the criminal element," he said.

But the appointment of Marchuk as acting prime minister was "a decision as correct as could be," for "he possesses the fullest information about the country," Mukhin said.

Navy To Get Arms as Part of Black Sea Fleet Deal

LD1303143995 Moscow ITAR-TASS World Service in Russian 1236 GMT 13 Mar 95

[By UKRINFORM correspondent Mikhail Stetsyuk for TASS]

[FBIS Translated Text] Sevastopol, 13 Mar—The Ukrainian Navy Press Center reports that the command of the Ukrainian Navy has received a telegram from the head of the Black Sea Fleet headquarters. It proposes that before 14 March, a Ukrainian Navy commission be sent to Ochakov to receive the weapons, machinery, and the premises of the Black Sea Fleet units stationed there, which, under the directive of the command in chief of the Russian Federation Navy, will now be disbanded.

The commission will be headed by Rear Admiral Nikolay Kostrov, deputy commander of the Ukrainian Navy. It will complete its work in Ochakov before 1 April.

Death Threats, Bombing Fuel Fears in Crimea

WS1303131295 Kiev INTELNEWS in English 2115 GMT 12 Mar 95

["Special to INTELNEWS by Lillia Budjorova]

[FBIS Transcribed Text] Simferopol, March 12—Death threats against Crimean Prime Minister Anatoliy Franchuk, coupled with a bombing Sunday [12 March] outside the apartment of a Crimean deputy prime minister, are fueling fears of a new chapter in Crimea's political violence.

Franchuk said Saturday an anonymous caller told him that "we will eliminate you if you continue behaving so zealously in the government." Franchuk said the caller indicated that he knows the prime minister's route to work in Simferopol, and that he twice used a special line that is installed only in senior officials' offices.

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Sunday's bomb, which killed an unidentified man who was apparently carrying it, occurred in the early morning hours near Deputy Prime Minister Arkadiy Demidenko's apartment block in Simferopol. No serious damage to the building was reported.

At a Sunday briefing, Demidenko, who is responsible for managing the state sector of the Crimean economy, denied that there could be motives for anyone to threaten his life on grounds of "commercial" interests. Franchuk said he could be a target of assassination because of the Crimean Government's "tough stance" on fighting organized crime.

Demidenko suggested that some forces, including those close to Crimean President Yuriy Meshkov, might be interested in deepening political destabilization on the peninsula. He said Meshkov is trying to restore the government headed by Russian economist Yevgeniy Saburov.

Demidenko, who heads the Crimean Anti-Corruption Council, said Meshkov may have resented remarks he made at a recent Council meeting charging the president with fueling the strife between the branches of power to the benefit of criminals.

The deputy prime minister also said the bombing could be aimed to discredit him as a member of the government in the eyes of the public, which usually associates accidents of this sort with mafia and corruption.

The Ukrainian Security Service Department in Crimea refused to comment on the bombing, saying only that a decision was made to take steps ensuring greater personal safety for the deputy prime minister.

At least six political figures, including a member of the Crimean parliament, the Crimean Tatar communist leader, and two political party chairs, have been murdered on the peninsula in the past 18 months.

Assassination Attempt Against Crimean Vice Premier

LD1303130895 Moscow ITAR-TASS in English 1223 GMT 13 Mar 95

[By ITAR-TASS correspondent Lev Ryabchikov]

[FBIS Transcribed Text] Simferopol March 13 TASS—An explosion rocked the entranceway to the house, where Crimean Vice-Premier Arkadiy demidenko lives, on Sunday night. A remote-controlled explosive device went off in the hands of an unidentified young man when he was literaly several meters away from the doors of the vice-premier's apartment. The man became the only victim of the terrorist act. An inquiry into the assassination attempt has been launched.

Crimean Prime Minister Anatoliy Franchuk told journalists earlier that he had received several telephone calls recently with threats of physical violence. Callers warned him that they studied well his usual route from his home to the office and would confront him somewhere along the route one day. It is noteworthy that the threats came over intercom, to which a rather limited number of people has access.

Analysts here wonder whether the assasination attempt against the vice-premier was a kind of warning to the premier.

Independent Crimean Journalists Receive Death Threats

AU1303151695 Kiev MOLOD UKRAYINY in Ukrainian 10 Mar 95 p 1

[Report by Volodymyr Prytula, MOLOD UKRAYINY special correspondent: "Journalists in the Crimea Are Being Threatened Again"]

[FBIS Translated Text] "For the last time, we are warning the 'list of 13' and their supporters to get out of the Crimea! All of you will soon be working with Listyev on 'Next-World TV'—the Astakhov gang, Independent Chechen Television, and their mercenary colleagues...." Anna Konyukova, Simferopol correspondent for Moscow's "Independent Television" (NTV), recently received such a letter. Let me explain that "The List of 13" includes those journalists who dared criticize local President Yu. Meshkov's actions and separatist ideas. Konyukova received another threatening letter a few months ago. The letter also mentions Valeriy Astakhov, president of the state television and radio broadcasting company "Krym" [Crimea], whom Yuriy Meshkov tried in vain to remove.

The anonymous scoundrels, who signed themselves "Patriots," stated that they were "ashamed to see Russia mourning a Yid. We will see to it that you are not mourned here in this manner. Be mindful that you are on the death list—all of you!" the letter reads. Crimean journalists are used to such threats, but it seems high time that the authorities somehow reacted to this.

Crimean Deputy Premier Rejects President's Decree

LD1303134795 Kiev UNIAN in Ukrainian 1020 GMT 13 Mar 95

[FBIS Translated Text] Simferopol [dateline as received]—The decrees by the Crimean Republic's president on revoking government resolutions will not be carried out. Government Deputy Prime Minister Andriy Senchenko reported his at a briefing on 11 March.

He stated that in accordance with the law "On the government of Crimea," the government is the highest body of state executive power in the Crimean Republic, is accountable to the Supreme Council, and is not subordinate to the republic's president. Such subordination is not envisaged in Crimea's constitution either.

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In Andriy Senchenko's opinion, such steps by the Crimean president exacerbate the situation in Crimea and impede the talks on the division of property between Ukraine and Crimea.

Official Accuses NATO of Spying in Crimea

WS1303134295 Kiev INTELNEWS in English 2321 GMT 10 Mar 95

[FBIS Transcribed Text] Sevastopol, March 10—NATO officials are working as spies in Crimea, said Volodymyr Kuntsevskiy, head of the Ukrainian Security Service Sevastopol department, in an interview Friday [10 March] in the SLAVA SEVASTOPOLIA newspaper.

"The materials we have acquired prove that NATO members and some other countries' intelligence units continually monitor the Sevastopol area and recruit area residents to supply intelligence information," said Kuntsevskiy. "As many as 12,843 foreigners from 52 countries visited Sevastopol last year, and we have uncovered among them several spies working for foreign special intelligence divisions," he added.

The activity of foreign intelligence in the area will increase if a free economic zone is established in Sevastopol, he said. The Security Service is fighting attempts to create foreign intelligence informational networks in Sevastopol, Kuntsevskiy said. "The establishment of the free economic zone in Sevastopol will not take us by surprise," he added.

Economic Issues

Strict Measures Ordered To Bring Back Hard Currency

LD1303201795 Moscow INTERFAX in English 1826 GMT 13 Mar 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Mar 13 (Interfax - Ukraine)—Ukrainian President Leonid Kuchma has issued a decree on Monday [13 March] to ensure stricter enforcement of his earlier directives to have hard currency "illegally" taken out of Ukraine to be brought back to the country.

The decree reprimands Deputy Prime Minister Igor Mityukov for the "delayed and incomplete" enforcement of a 1994 presidential decree to return hard currency "illegally" kept abroad.

Monday's decree orders other officials to be taken to task by acting Prime Minister Yevgeniy Marchuk and rebukes local governors for weak control of foreign economic contacts and demands that they prevent hard currency from illegally flowing abroad.

Marchuk and National Bank chairman Viktor Yushchenko are to take measures to put the earlier directives into practice.

Kuchma To Ask Supreme Council To Adopt 1995 Budget

LD1303170695 Moscow INTERFAX in English 1549 GMTA 13 Mar 95

[FBIS Transcribed Text] KIEV, Mar 13 (Interfax - Ukraine)—Ukraine's President Leonid Kuchma is to ask parliament shortly to examine and adopt the 1995 budget. Kuchma announced this to journalists in Kiev Monday upon his arrival from Copenhagen, where he had attended the UN forum on social and economic development.

"By adopting the budget, we will show that we are not going to squander the funds" to come from the IMF and other financial bodies, Kuchma remarked, voicing the hope that deputies will endorse the budget.

National Bank To Select Potential Bankrupt Banks

LD1303171295 Moscow INTERFAX in English 1549 GMT 13 Mar 95

[FBIS Transcribed Text] KIEV, Mar 13 (Interfax)—The board of Ukraine's National Bank is to adopt a number of measures on March 20 to overcome the insolvency problem and do away with some commercial banks.

As Viktor Yushchenko, president of the Bank, told journalists in Kiev Monday, a list of banks would be drawn up by that date "for councils of creditors or a bankruptcy committee to decide" on their fate. According to him, 95% of the banks on the brink of ruin are listed as small banks with charter funds of less than 10 billion karbovantsy. Of the 228 registered operational banks, 70% are considered small.

Yushchenko said that a few big commercial banks could go broke, too. However, in his opinion, they stand a better chance of survival.

He admits that some commercial banks would be helped. He estimated total assistance at 2.5 trillion karbovantsy to be provided as part of a credit of 25 trillion karbovantsy, approved by parliament last month.

Yushchenko noted that the Bank's board had recommended some commercial banks to hold emergency meetings with shareholders to discuss receivership plans that might be buttressed up by National Bank credits. These banks are forbidden to pay dividends, receive deposits, and open new branches.

Such a decision was adopted at a Bank session held on February 25 to preliminarily check how solvent commercial banks are.

Defense Industry Conversion Problems Viewed

BR1303143795 Frauenfeld ASMZ in German Mar 95 pp 20-21

[Report by unidentified East Europe correspondent: "Problems of Ukrainian Defense Industry"]

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[FBIS Translated Text] During the USSR era, Ukraine was home to a number of the Soviet defense industry's major military production plants, including those for manufacturing strategic rockets, ships, tanks, and transport aircraft. As with all East European countries Ukraine's military industry faces serious problems. The economic decline of this once-powerful defense industry is due primarily to the disappearance of its market.

Around 20 percent of the entire development and production capacity of the former Soviet Union's military industry was located in Ukraine. The following Ukrainian production sectors were crucial to the Soviet Union's extensive defense complex:

—The development and manufacture of strategic rockets and guided missile systems and of military space technology at the Yuzhnoye rocket factory at Dnepropetrovsk;

—The construction of all types of warships (including aircraft carriers) at the Nikolayev shipyards on the Black Sea;

—The partial production of T-80 battle tanks at the Kharkov tank factory;

—The partial manufacture of aircraft at the Antonov plant in Kiev.

The defense industry's share of Ukraine's total pre-1990 industrial capacity is considered to have been around 60 percent. The defense industry may still have a workforce of over a million, despite ongoing conversion activity.

These figures leave no doubt that the defense industry remains crucial to Ukraine. It is noteworthy that the bulk of the plants concerned have always concentrated on the production of expensive and technically superior components. Until recently most of these subproducts were supplied to defense plants in Russia, where they were required for final production of familiar armaments and equipment systems. The original intention was to diversify major areas of the Ukrainian defense industry to civilian production, in line with the diversification process launched at the start of the 1990's. So far, however, the situation has been very similar to that in Russia, with a lack of significant successes in achieving such conversion.

Situation at the Yuzhnoye Rocket Factory in Dnepropetrovsk

Since the 1950's most of the former Soviet Union's strategic rocket and guided missile systems were developed and manufactured at this defense complex. Yuzhnoye was in its time the world's largest rocket factory, employing over 50,000 until 1990, including 6,000 in its own R&D division alone. Apart from the main engines and individual specialized components, ICBM's [intercontinental ballistic missiles] were developed and manufactured in their entirety by these plants, which had total responsibility for them. A total of around 20 different strategic rocket variants were produced at the Yuzhnoye plant, the diameter of which measured some 5 km. These included such familiar names as the SS-12 and SS-17, the three versions of the SS-18, and finally the two of the SS-24: the mobile, railroad-mounted version, and the silo-based version. Satellites and other products were also manufactured for the former Soviet rocket and space units.

Following Ukraine's declaration of independence, military rocket production was halted. The plants concerned have since concentrated on the development and construction of civilian space technologies. Their present range includes:

—Cyclone and Zenith (in different variants) carrier rockets for launching satellites;

—Satellites for reconnaissance and/or transmission operations;

—Space transporters and shuttles, such as the current Clipper project.

The extensive production facilities are presently working only to partial capacity. In addition to other space equipment, production of carrier rockets is believed to be continuing, at the level of six to eight annually. The sole customer for these rockets, measuring over 50 m, has so far been Russia, whose space agency continues to depend partially on Ukrainian rockets for its own transport requirements. In the future, however, Russia may turn increasingly to its own Proton and Sojuz rockets for these purposes. Though Ukraine has for some time been looking for additional export markets for its carrier rockets, it has not yet been successful.

For the past three years, Yuzhnoye has also been actively developing civilian production lines in its massive workshops. Its new conversion products include tractors and agricultural machines, trams and trolley buses, energy generating equipment, and, recently, equipment for disposing of obsolete rockets and guided missiles. In the absence of sufficient markets, however, sales of these civilian products have been limited. This in turn restricts the ongoing conversion process.

Conversion at Kiev Arsenal Factory

The Arsenal factory in Kiev was previously one of the major defense plants for the development and manufacture of electro-optical equipment and components. This plant specialized in the production of:

—Targeting and observation equipment for armaments and equipment systems;

—Low-light, especially infrared-based equipment;

—Guidance systems and guided seeker heads for missiles;

—Measuring and observation equipment for artillery;

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—Gyrocompasses and other specialized components for spaceflights.

Although the factory has contracts with Russia, or with Russian plants, such cooperation is believed to be getting more and more difficult. Russia is increasingly seeking to replicate components hitherto purchased from Arsenal (such as homing heads for guided missiles) in its own plants. Furthermore, Ukrainian products are only bartered for Russian products, or purchased in exchange for hard currency. Despite great efforts to find new export markets in other countries, success has been very limited.

Civilian production capacity accounts for only 20 percent of Arsenal's total capacity. Nevertheless, this 20 percent is believed to have yielded over 90 percent of total production output over the past year.

Prospects for Ukrainian Defense Industry

Obviously, the initial euphoria over conversion, which was tangible in the aftermath of independence, has now dissipated. Apart from inadequate financial resources for much-needed investment, most plants have problems in selling their products, owing to lack of competitiveness. There are other factors, too, which stand in the way of such diversification:

—The continuing government bureaucracy and inadequate management experience of executive personnel;

—The widespread tendency to retain existing privileges and government support wherever possible;

—The rejection, obvious in some cases, of privatization;

—The lack of a will to change, both among executives and among R&D personnel; this is exemplified by the underuse and misuse of highly-specialized rocket technicians, expected to make the immediate transition to tractors or kitchen equipment.

It is an interesting fact that increasing numbers of managers in the Ukrainian defense industry are firmly laying the blame for the economic disaster on the conversion program forced on them by the previous government. The will to undertake innovative diversification in production has sharply declined, at least in some notable defense plants. It is increasingly believed that economic recovery depends on resumption of armaments production or a strengthening of R&D in this field. The hope is that this would enable an expansion of defense exports to the new states which emerged, like Ukraine, from the former Soviet Union.

At present there seems little chance of success for such attempts to develop new defense projects and reactivate arms exports. As Ukraine has virtually no final production capacity for the manufacture of complete systems, the country will for the foreseeable future depend on foreign—particularly Russian—support.

Further extension of cooperation with Russia over defense technology is for economic and political reasons scarcely conceivable. Ukraine therefore needs to find new collaborative partners to have any chance of implementing the new defense projects it plans.

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Belarus

Prime Minister Chyhir Pays Official Visit to Iran

Chyhir Notes Plan To 'Seek Markets'

WS1303130795 Minsk BTK Television Network in Belarusian 1900 GMT 12 Mar 95

[Interview with Prime Minister Mikhail Chyhir by Viktar Kharkow at Minsk-2 airport on 12 March—recorded, in Russian]

[FBIS Translated Text] [Kharkow] Mikhail Mikalayevich, just a few minutes before your flight for Tehran departs, what could you say about your official visit to the Islamic Republic of Iran? What importance should be attached to this visit?

[Chyhir] I think that everyone knows that industrial enterprises in Belarus and Russia are today characterized by the serious problem of the payments crisis. On the other hand, Iran is a state which previously had rather close ties with the Soviet Union. Iran is familiar with our technology and equipment. Regarding the results of our trade last year, our turnover with Iran did not exceed $2 million. Therefore, it is natural that we will seek markets there, because many of our enterprises face great difficulties in penetrating Western markets. As of today, our enterprises have amassed more than a month's worth of finished products. There is a proposal, a preliminary agreement, assuring that we will be able to agree on certain directions, and cooperate much more closely.

Visits Iranian Vehicle Plant

LD1303222395 Tehran IRNA in English 2156 GMT 13 Mar 95

[FBIS Transcribed Text] Tehran, March 14, IRNA—Visiting Belarus Prime Minister Mikhail Chyhir here Monday [13 March] inspected the assembly lines of 'Iran Khodrow', the Iranian vehicle manufacturing company.

The managing director of the company briefed the Belarus premier on the industrial activity of Iran Khodrow which produces various kinds of cars, buses and minibuses.

He also expressed the readiness of the company for technical and industrial cooperation as well as selling of its products to the Republic of Belarus.

Chyhir welcomed expansion of cooperation with the Islamic Republic of Iran in the various fields particularly in the area of industrial cooperation and was impressed by Iran's progress in the field of industrial productions.

At the end of his inspection of Iran Khodrow, Chyhir introduced a representative for expert discussions over purchase of cars from Iran.

Most Favored Nation Agreement Expected

WS1403091095 Minsk Radio Minsk Network in Belarusian 0800 GMT 14 Mar 95

[FBIS Translated Text] Belarusian Prime Minister Mikhail Chyhir and Iranian Vice President Hasan Habibi held negotiations in Teheran. During those negotiations, issues regarding expanding political and economic ties, as well as establishing a joint economic commission were discussed. The Belarusian prime minister laid wreaths on the grave of revolutionary leader Ayatollah Khamene'i. As BELAPAN agency reported, an agreement on the most favored [nation] status is expected to be signed.

Chinese Military Delegation Ends Visit

LD1303190995 Minsk Radio Minsk Network in Belarusian 1700 GMT 13 Mar 95

[FBIS Translated Text] A delegation of the Ministry of Defense of the People's Republic of China has completed a business visit to Belarus. It took place from 7-12 March. During the [words indistinct] military people discussed methods of implementing the accords reached in China in January this year by a state delegation. The guests visited a number of military units. Well-informed sources in the Ministry of Defense consider that the visit had a preparatory nature, anticipating the arrival in Belarus of a PRC state delegation.

Ministers Cited on Brussels Trip, EU Treaty

WS1403094595 Minsk ZVYAZDA in Belarusian 11 Mar 95 p 3

[Report by Yuras Karmanaw: "'Eastern Vector' Has Not Stood Against the Brussels Wind and Belarus' Foreign Policy Has Become Polyvectorial"]

[FBIS Translated Text] **Foreign Minister Uladzimir Syanko and Foreign Economic Relations Minister Mikhail Marynich held a news conference yesterday devoted to the results of their recent visit to Brussels.**

The ministers reported that a signature line was finally drawn after a complicated process of negotiations with the EU that lasted over two years. Fifteen EU member-states put their signatures on the agreement on partnership and cooperation between Belarus and the EU. While the agreement must still be ratified by the Belarusian legislature and the parliaments of the 15 EU member-states, an interim agreement—including all principal tenets of the main document—will be signed in April. Quite a bit was said about the importance for Belarus of the agreement with the EU. The Belarusian leadership realizes this fact and the Belarusian president, who declared the "polyvectorial nature" of Belarusian foreign policy in Brussels for the first time, realizes this fact as well. During his meeting in Brussels, Mr. Syanko emphasized that "Alyaksandr Lukashenka demonstrated his vision of what is going on in Belarus along philosophic lines." "Most prominent European politicians have

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formed a positive impression of the course being pursued by the Belarusian leadership," the minister said.

Mr. Syanko reported that the agreement between Belarus and the EU provided for the deepening of political, trade, and cultural relations, for the transfer of trade relations between Belarus and the EU to a nondiscriminational basis, and for the encouragement of reform and the strengthening of political and economic freedoms by the EU, for the creation of conditions for the gradual integration of Belarus into the European community of nations, and so on. Conditions for Belarus' joining the EU free trade system will be established before 1988. "Basic principles of the agreement are democratic, they illustrate and strengthen the human rights that are enshrined in the Helsinki Accords," stated Mr. Marynich. Trade relations with the EU will enable Belarus to deliver goods and services to European markets with most-favored-nation status. The EU bans all quantitative restrictions on imports from Belarus. The minister of foreign economic relations cited a variety of benefits that Belarus will obtain from its cooperation with this European organization.

However, it was actually recent developments—the meeting of the Belarusian foreign minister with the ambassadors of those NATO member-states with missions in Minsk—that triggered the greatest interest among journalists. The president's statements about the suspension of the Conventional Armed Forces in Europe [CFE] Treaty were the reason for that meeting. Mr. Syanko did not go into detail about the meeting with ambassadors, but he stated that Belarus was not going to withdraw from the CFE Treaty, it, however, has only suspended its fulfillment due to a lack of resources. "We have sent our delegations to London, Bonn, and Paris to establish a fund to support the elimination of ordinary weapons, but they made us understand that their states will not be involved in providing such assistance," stated Mr. Syanko.

We can say that the situation "is still up in the air": Belarus has no funds with which to eliminate weapons and it is still not known if the West will extend such funds to us. It is not known what Belarus will do if funds are not extended. According to the minister himself, the CFE Treaty is the foundation for European security. Belarus will hardly begin to ruin it.

Russian Army Officer on Single CIS Air Defense

LD1303142195 Moscow ITAR-TASS World Service in Russian 1156 GMT 13 Mar 95

[By BELINFORM correspondent Leonid Tratsevskiy for TASS]

[FBIS Translated Text] Minsk, 13 Mar—The creation of a single air defense system for the Commonwealth of Independent States was discussed during a visit to Belarus on 11-12 March by Colonel General Viktor Prudnikov, commander-in-chief of the Russian Army Air Defense Forces.

Prudnikov held talks with Lieutenant General Valeriy Kostenko, commander of Belarus's Air Defense Forces, and other military chiefs in the republic. It is known that Gen. Prudnikov has been elected to chair the CIS coordinating committee on air defense. During the meeting in Minsk, the parties worked out several particular aspects relating to the bilateral exchange of information on the status of the air space of the two states, coordination of action in the event of a violation of airspace, and other specific problems for Air Defense Forces units.

The Russian guests visited several military installations in Belarus and familiarized themselves with the organization of military duty and service and the everyday life of servicemen.

Russian-Leased Missile Center Poses Environmental Threat

WS1303122495 Minsk BELAPAN in English 0815 GMT 13 Mar 95

[FBIS Transcribed Text] As is generally known, in accordance with the Belarusian-Russian agreements signed on January 6, Russia will keep its military establishments near Baranavichy and Vileyka for the next 25 years. In the opinion of experts, which was supported by the parliamentary opposition, the unfinished center for missile attack notification, situated 10 kilometres from the town of Hantsevichy in the Brest region—the Baranavichy Centre—will be a serious danger to the environment from the ecological point of view when it is commissioned. In this regard the parliament decided to send its representatives to Krasnoyarsk where there is an analogous establishment. However it became known that the establishment at Krasnoyarsk had been closed as, in experts' opinion, it had been constructed with technological defects. Nevertheless, the other day the Embassy of Latvia submitted to the Supreme Soviet a package of documents concerning the functioning of the radiolocating station at Skrunda, which is also analogous to the Baranavichy Centre. The inhabitants of this Latvian town achieved the closing of the station as in June last year scientists from Israel, Sweden, Russia and other countries proved the harmful effect of electromagnetic waves on the human organism at an international conference in Riga. The chairman of the Supreme Soviet committee for ecology Barys Savitski pointed out in an interview with a BELAPAN correspondent that they had already started studying the documents, and, most likely, their conclusions would be known to the MP's before March 20, the day the Belarusian parliament resumes its plenary sittings.

Appeal Against Russian Troops, CIS Security System

WS1303143995 Minsk BTK Television Network in Belarusian 1900 GMT 12 Mar 95

[Announcer-read report]

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[FBIS Translated Text] Supporters of the Belarusian Popular Front are continuing to collect signatures among the Belarusian citizens under an antiwar appeal to the president and the subsequent Supreme Soviet. As of now, over 40,000 signatures of our citizens have been collected. The action "People Against the War" is intended to protest against the participation of Belarusian servicemen in any military conflicts of other states, against constructing and locating Russian bases as well as the deployment of Russian troops on our territory, and against the participation of Belarus in the CIS collective security system.

Minsk TV Cites Zhirinovskiy on 'Coup,' Union

WS1403110295 Minsk BTK Television Network in Belarusian 1900 GMT 12 Mar 95

[Announcer-read report over video of news conference held by Vladimir Zhirinovskiy, head of the Liberal Democratic Party of Russia, in Minsk on 11 March]

[FBIS Translated Text] Vladimir Volfovich [Zhirinovskiy] has told a news conference about his impressions of the work of Russia's highest legislative body and President Yeltsin's activities. According to Zhirinovskiy's prognoses, the West is planning to provoke a domestic coup [khatni peravarot] in Russia between 18 and 25 March, which will take place in the guise of a conflict between Yeltsin and [Moscow Mayor] Luzhkov. If the putsch fails, then, according to Zhirinovskiy, another scenario will develop: Two Russian nuclear power plants will be blown up and, under the pretense of securing the operation of other nuclear power plants, UN forces, consisting primarily of U.S. troops, will be brought into Russia.

Vladimir Volfovich very positively assessed the agreements signed between Belarus and Russia. Therefore, it was logical to ask Mr. Zhirinovskiy how he sees the mechanism of Belarus joining Russia.

[Begin Zhirinovskiy recording, in Russian] I think that [words indistinct] you will take our normal ruble, notwithstanding the fact that its exchange rate against the dollar is possibly too high; however, it is backed by all of Russia's resources. Therefore, it will be the only currency. A referendum on bilingualism will approve Russian as the second official language [in Belarus]. The Armed Forces will gradually be unified. Lastly, the two parliaments and the two presidents will meet and agree upon the creation of unified administrative bodies. [end recording]

Journalists were also interested in the problem of female prostitution in Russia and whether prostitution will be legalized in the event of an election victory by Zhirinovskiy and his Liberal Democratic Party.

[Begin Zhirinovskiy recording, in Russian] In principle, some decision must be made, because it is useless to forbid something which already exists in everyday life. This will only boost inflation. When tariffs grow—while, of course, more ungrounded prices and rates mean bigger expenses—the state will suffer from this. [laughter, applause] Therefore, one needs to find some way of preventing this from both having a negative moral impact and fueling an underground business that damages the health of girls and men and, in general, brings more things negative than positive.

A huge number of men and women are not married. Millions of women and men are not married. What are they to do? There are not just a few—there are millions of them! Thus, [one has] to find forms, in which unmarried people can satisfy their normal biological needs. [end recording]

Popular Movement Defines Election Platform

WS1403115995 Minsk BELAPAN in English 0800 GMT 14 Mar 95

[FBIS Transcribed Text] The Popular Movement of Belarus (PMB), which is not a preelection bloc but unites 21 parties and public organizations intends to nominate its representatives in all elections districts (260). This was announced by the chairman of the PMB Coordinating Committee Syarhey Haydukevich at the second congress of the Liberal-Democratic Party of Belarus (LDPB), which is also a member of the Movement. In case of the defeat of nominees from the PMB the Movement is prepared to support the potential MP's of the Supreme Soviet from the left bloc. "In the first instance we will render assistance and support to candidates from the communists", Syarhey Haydukevich said. According to him, the PMB preelection platform includes the denunciation of the Byelavezhskaya Pushcha Agreements, integration with Russia and the Ukraine. In spite of the resounding declarations about the single position of the PMB on the eve of the parliamentary elections, experts predict an inevitable cleavage in the Movement. Having refused to take part in the LDPB congress, the Slavic Assembly "Belaya Rus", also a member of the PMB, expressed its protest against the liberal-democrats' aspiration to play first fiddle in the Movement. The confrontation may be aggravated as the LDPB nominated about 60 representatives of the party on behalf of the PMB. At the same time the PMB leader Syarhey Haydukevich will be a candidate from the LDPB.

Domestic, Foreign Security Risks Noted

BR1303144195 Frauenfeld ASMZ in German Mar 95 pp 38-39

[Article by Major General A. Yegorov, director of the Belarusian Institute for Security and Defense Policy in Minsk: "Current Risks and Dangers"]

[FBIS Translated Text] All states of the former USSR are going through a painful process of establishing their sovereignty. It would be wrong to claim that Belarus was acutely threatened by specific risks and dangers. Instead,

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it is the threats affecting all former USSR states for which a specific solution will have to be found. Following below is the inside view of Major General A. Yegorov, director of the Institute for Security and Defense Policy in Minsk, on the main risks and dangers affecting Belarus.

Potential Internal Dangers

The complex economic situation has created a host of problems with the potential for an economic crisis, disintegration of the republic, a confrontation between society and government, and breakdown of the state's control over the situation in the country.

The delay in reforms has resulted in a wide gap between the prices for consumer goods and real incomes. Belarusian industry has practically been robbed of its traditional markets and is nearing a collapse. Investment opportunities of the government and the private sector are insignificant. Foreign investments can only be attracted by furnishing guarantees, reducing government regulation of the economy, and accelerating privatization. All these processes are slow, too slow.

The crisis management program that the president presented to parliament consists of elements of a shock therapy (price liberalization and restructuring of the industry) designed to limit inflation and stabilize finances. According to experts, it is a realistic program.

The main question remains, however: Can a society that has lost its economic and psychological resources endure a shock therapy?

The crime rate is increasing drastically, new types of felonies, such as organized crime, large-scale smuggling, drug trafficking, and black economy (with a share of 20-25 percent of overall economy), are occurring. In view of the upcoming presidential elections, containing crime and combating corruption have played a major role. This demonstrates how acute the problem is perceived to be, as well as how much society is interested in solving it. It has to be noted that crime statistics in Belarus are below those of other CIS states and that government control can generally be considered as largely functional. The Mafia-like activities of groups from the south (Caucasus) and east (Central Asia) of the CIS, however, are on the rise. At the same time, Russian criminal gangs exert an influence on the Belarusian economy and are trying to line their pockets in the process of the privatization of real estate.

A solution to the problem would have to include the strengthening of the legal system, government support for private businesses, and an intelligent fiscal policy making the accumulation of black capital impossible and unnecessary.

The critical ecological situation is an acute threat to the nation's "genetic capital." The fallout after the Chernobyl explosion was 80 times larger, according to experts' opinion, than in Hiroshima. Every fifth Belarusian is suffering from results of the explosion, two percent of the government budget is expended to remove the effects of Chernobyl. Receiving very little international support, Belarus is largely left alone with its problems.

Further potential for a catastrophe lies in the outdated petrochemical and chemical technologies and the worn-out pipelines that continue to operate. From 1992 to 1994 three major incidents occurred on these pipelines.

Thus, it is fitting to speak of "technological risks and hazards" which can be remedied only by hard currency investments in the petrochemical industry and its infrastructure. An initial investment step would have to be in the amount of approximately $300-400 million. The republic itself does not have those financial means. Therefore, Belarus is looking for projects that could attract Russian and Western capital to allow the restoration of petrochemical production facilities and pipelines. A permanent solution, however, can only be achieved in the context of an overall economic reform in the sense of a dynamic privatization process.

External Risks and Dangers

Vulnerability to the use of nonviolent pressures. Belarus is highly dependent on the delivery of energy, raw materials, and medicines from abroad, and of the supply of specific foods and semi-finished products. The country imports almost 100 percent of its energy demand. The negotiations on joining the ruble zone were, of course, inspired by the "energy shock" of last August, when the Russian suppliers stopped their shipments because of the debt situation.

Numerous Russian government and party leaders have stated that they were no longer interested in developing economic relations with Belarus. As long as two-thirds of the national export goes to Russia, Belarus remains highly vulnerable to blackmail. In addition, the debt with Russia already amounts to $2 billion, and Russia is likely to demand 40-50 percent of it. A link between economic and political pressure can hardly be denied.

This is therefore the most burning element of the crisis in the Belarusian security policy, and an element that jeopardizes national sovereignty. Furthermore, the previous leaders of the republic in 1991 formally excluded the "Baltic way" toward independence, thus severely limiting the chance for a free choice of its foreign policy.

The Moscow events of October 1993 proved the dependence of Belarusian domestic policy on the political situation in neighboring states of the former USSR. Had the coup attempt been successful, Belarus would probably have joined its eastern neighbor as a region, an autonomous republic, or a union republic, which was the planned scenario of the leaders of the insurrection.

Another serious risk is imposed by the geographic position of Belarus as it is crossed by important East-West

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communication lines. The security institutions of various states have been emphasizing the dangerous increase of organized crime in the country. Of special concern are the organized migration from Asian and African states to West Europe and Scandinavia, drug trafficking, and arms smuggling.

There are various reasons for this: the Balkan war with its supplies and demands, underdeveloped border and customs checks in Belarus, the liberalization of transit control, and inefficient participation in international committees that seek to fight organized crime. So far it has been possible to keep the situation more or less under control, though a disproportionate development of different crisis variables could lead to a real crisis. But even under the most aggravated conditions, a loss of sovereignty and an implosion of the social and economic situation remain unlikely. The discipline and good sense of the Belarusian people are a significant factor of stability in the republic's emerging security policy.

Moldova

OSCE Mission Head Views Dniester Issue

AU1403084995 Chisinau INFOTAG in English 1504 GMT 13 Mar 95

[Interview with Philip Hahn, head of the OSCE mission to Moldova, by an unidentified INFOTAG correspondent; place and date not given: "The General Public Is Becoming Impatient With Apparent Lack of Progress in the Dniester Negotiations"]

[FBIS Transcribed Text] [INFOTAG] On the one hand Moldova receives more and more support from the international community regarding its position on the Dniester conflict. On the other hand, the main result of the Chisinau-Tiraspol summits, at least, as seen by the general public, is the appointment of the next meeting date. How do you assess the current state of negotiations?

[Hahn] I am led to understand that the general public is becoming impatient with apparent lack of progress in the Dniester negotiations. Is the public perception of procrastination justified? In the declaration of 28 April 1994 of the leaders of Moldova and Dniester agreed to resolve the conflict peacefully according to OSCE principles.

It is true that the declaration raised expectations of an early settlement. The April meeting led to some economic negotiations and several protocols were worked out. Political negotiations did not start in earnest until August. By November-December progress had been achieved. However the meeting in December between President Snegur and the Dniester leader Igor Smirnov produced no political breakthrough. An agreed January economic summit was canceled but several additional non-political protocols were concluded ad referendum. It is important from the perspective of confidence building that several protocols were endorsed at the 15 February summit. The next step will be to implement them. All this demonstrates to me a continued commitment to the search for a political solution. Even so, it is evident that at the summit a month ago the leaders were not yet ready for political compromise. The real significance of the 15 February meeting is that the two leaders for the first time in the presence of the international mediators focussed almost exclusively on the political basics. With the Gagauzia in mind Chisinau aspires to a strong central government and a clearly defined special status for a regional Dniester authority. This concept bears a semblance to some of ideas put forward for discussion by this Mission in its Report No. 13 of November 1993. In contrast Tiraspol envisages two much more equal "subjects," with a very high degree of decentralisation.

With the February meeting the negotiations have entered a new phase. The discussions now focus on the Moldova of tomorrow. They have turned away from controversial interpretations of history and left behind an instructive debate of political precedent elsewhere. In the final analysis, neither history nor precedent can father the settlement that is now needed.

[INFOTAG] What is the role to be played by the OSCE?

[Hahn] The OSCE is the international organization which most directly contributes to the resolution of the Dniester conflict. At this advanced stage in the negotiations a central aim of the OSCE is to help ensure that the Dniester settlement is in harmony with the international legal and institutional environment. This is of special importance to Tiraspol. The international community establishes parameters (conditions) for cooperation and membership. The parameters include for example market economy, democratization, judicial reform, human rights. If the Dniester settlement fails to respect international parameters, there will be problems for both sides, but especially for Dniester.

These parameters must enter the negotiations at some stage. Moldova is internationally accountable for what happens in the entire country, including Dniester. Moldova made commitments when it joined the OSCE, the IMF, the United Nations. There will be more commitments with membership in the Council of Europe. Therefore Chisinau seeks a settlement of the conflict which provides powers that will enable it to live up to its commitments.

Dniester is not recognized internationally. Therefore Tiraspol cannot commit itself internationally and cannot be held accountable by the international community. If Tiraspol wants to benefit from international cooperation, it will have to yield to Chisinau the attributes that are necessary to make the international commitments on its behalf.

Moldova has already entered into most basic international commitments. It is pursuing vigorously and successfully programs of democratization, economic

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restructuring, judicial reform etc. Democratization is proceeding steadily. Economic reforms are among the most successful in the CIS. There have been financial and other benefits to help bridge the severest dislocations of restructuring. Dniester is bitter that Moldova does not share its international credits. This is understandable. Even so, by seeking to separate from Moldova, Dniester leaders have excluded themselves from international cooperation. Moldova cannot subsidize the Dniester economy. The funds which Chisinau secures from international creditors are subject to strict terms and conditions. They must be repaid for use elsewhere. Moldova secures credit because it fulfills their terms and conditions. With one or two exceptions Moldovan credits exclude financial support for Dniester.

This Mission seeks to ensure that the settlement opens all doors for Dniester to available benefits of international cooperation. The summit discussions have not yet focussed in any depth on international parameters, but certain aspects have been raised. In recent weeks I myself have addressed these issues in talks with the Dniester leadership, representatives of the media and other personalities.

[INFOTAG] What role is to be played by Moldova's neighbors?

[Hahn] I have found Dniester to be sensitive to what is said and done in Bucharest. This is merely one indication that the Romanian Government can help to settle the conflict. Constructive and close relations between Chisinau and Bucharest which support in word and deed the reconciliation process will obviously be greatly appreciated. The recent visit of the Prime Minister of Romania provides direction in this sense.

Having a common border with the Dniester region, the Ukraine has additional possibilities for contributing to the settlement of the conflict. Cooperation is of course welcome. With the blessing of both Chisinau and Tiraspol it is reestablishing and enhancing local links which have suffered as a result of the conflict, particularly with the Kamenka and Rabnita rayons.

During the recent visit of the Ukrainian Foreign Minister Hennadiy Udovenko a possible role for the Ukraine in the settlement of the conflict was discussed. Chisinau, Tiraspol and Kiev should reestablish cooperation in such fields as customs, transport, the demarcation of the international border and the ecology of the Dniester. Security guarantees were raised for the reopening of the bridges across the Dniester. Such cooperation will have a profound influence on the negotiations and be of great benefit to all concerned. The Ukraine has also offered cooperation with the implementation of the 14th Army withdrawal agreement.

[INFOTAG] What role is to be played by the OSCE Mission?

[Hahn] At this advanced stage in the reconciliation process—hopefully the final stage—I envisage chief elements in the Mission's role as follows:

a) To help ensure that in the negotiations the international parameters are fully taken into account. My participation as mediator in the political and summit negotiations as well as informal contact with the two parties and with Ambassador Vladilen Vasev, special representative of President Yeltsin, provide the main channels to pursue this aim;

b) To facilitate legal and judicial expertise once there is basic agreement on the settlement. Both sides have requested such expertise and the Office of Democratic Institutions and Human Rights (ODIHR) in Warsaw has undertaken to provide it as soon as it is needed;

c) To keep the OSCE through its Chairman-in-Office and the Permanent Council in Vienna fully informed of progress in the implementation of the Mission's mandate and directives. The reaction to my appearance in January before the Permanent Council demonstrated to me that the Chairman-in-Office and the Permanent Council take a sustained and profound interest in an early and successful settlement of the Dniester conflict;

d) To implement a programme of cooperation with the Joint Control Commission under an agreement on "Principles of Cooperation" signed last July. The agreement has in general worked though its terms have been too restrictive. The OSCE Mission has been directed to participate in the work of the commission and to move freely in the security zone. This is not possible as yet. The principles are currently under review to strengthen cooperation.

e) Promoting on both sides of the Dniester the full respect for human rights and the rule of law. During 1994 the Mission dealt with over seventy complaints by individuals and organizations. The Mission negotiated a critical review of the Ilascu [Ilie Ilascu, Moldovan nationalist sentenced to death by a Tiraspol court] trial by highly qualified international judicial experts. It has also facilitated international evaluation of the Press Law for the parliamentary debate leading to eventual adoption of the law.

[INFOTAG] What is the OSCE position on the withdrawal of the 14th Russian army? How could an international monitoring on the army withdrawal be organized? Is a three-year term a realistic one? Why is Russia opposed to the idea of international control?

[Hahn] The OSCE position on the withdrawal of the 14th Army was most recently expressed in the decision of the Budapest Summit adopted 6 December last year. In it the participating states welcomed the signature last October of the withdrawal agreement. They called for its early entry into force, thus permitting a timely, orderly and complete withdrawal of these troops from the territory of the Republic of Moldova. The decision further stated that the OSCE would offer the services of this Mission to follow closely the implementation of the agreement by Moldova and Russia. A basic purpose of

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international monitoring of the withdrawal would be to help ensure that none of the weapons and armaments get into the wrong hands.

How to organize monitoring? Successful monitoring requires a program carefully elaborated by experts in the field. The Mission in consultation with the two parties could help develop such a programme once given the green light. Is a three year withdrawal period appropriate? Not until the monitoring program is being elaborated will the Mission be able to form its own opinion about the period needed to complete the withdrawal.

Apropos Russia's opposition to international monitoring. I am not convinced that Russia opposes in principle international monitoring. After all Moscow supports annual inspections of its Armed Forces including the 14th Army. Nor does monitoring imply a lack of trust in the capacity of Russia to carry out such a commitment. There have been many withdrawals of Russian troops elsewhere and they have been successful. Moscow's position stated to the press last December indicated to me that Russia was not ready for OSCE monitoring. There have been further discussions between Moldova and Russia in Vienna but they have not yet produced results.

[INFOTAG] As far as we know, Moldova has asked the OSCE to send observers to the April 16 local elections. If that is true, how that work will be organized?

[Hahn] OSCE has been invited to observe the 16 April local elections. ODIHR in Warsaw, which is the responsible OSCE organ, has accepted the invitation. Arrangements for the operation are made with the support of this Mission, which will also contribute some of its members to the ODIHR observer groups. I expect that the operation will be very similar to that mounted by ODIHR for the February 1994 parliamentary elections and the recent Gagauz referendum. If the Council of Europe sends observer teams, monitoring will be coordinated as has been done before.

[INFOTAG] Recently the OSCE Mission to Moldova opened its office in Tiraspol. What was the reason for doing that? Who represents the OSCE in Tiraspol and what are the first results?

[Hahn] The office was opened as of 14 February. The reason was that the Moldovan Government and the Dniester authorities were interested in this. The OSCE Permanent Council at its meeting on 18 January also provided guidance in that sense though no formal decision was taken. Of course the mandate of the Mission provides for such presence and an understanding reached with the Dniester authorities in August 1993 includes this matter as well.

Currently the Mission office is in the Druzhba Hotel in Tiraspol. Two Mission members work in Dniester during week days. Facilities and infrastructure are not adequate. The Mission together with the Dniester authorities are looking for something more suitable with good communication facilities and convenient access for the public.

My colleagues and I focus in our work on contacting leading Dniester in all walks of life to learn their views about the settlement of the conflict and to explain to them international parameters for its solution. What are the first results? The most important one is that there is a clear need for politics of reconciliation. Leading Dniester people, including members of the opposition, tell me in so many words that they are not reconciled with Moldova. The wounds of 1992 have not healed. Most acknowledge the need for a settlement of the conflict, but they sincerely doubt that it can be successful on Moldova's terms. Moldovans and Dniester inhabitants remain to be convinced that they can live together in peace and harmony.

Some reconciliation measures have already been taken. Thus late last year an important interview with President Snegur was published in Tiraspol. Beginning November Mr. Maracuta made a major policy statement on a single international boundary in the Parliament building at the Chisinau Decentralisation Conference. The statement was widely reported and made a strong impact on the public. These initiatives have however not yet succeeded in creating a climate of confidence and reconciliation. More needs to be done.

Garrison Head Confirms Armed Men Sent to Moscow

AU1303121895 Chisinau BASAPRESS in English 1935 GMT 11 Mar 95

[FBIS Transcribed Text] Tiraspol BASAPRESS, 11/3/1995—Colonel Mikhail Bergman, Tiraspol City military commander, confirmed today that the Dniester authorities have sent 100-150 commandos from the ranks of the Dniester special forces and other military units to Moscow. Bergman told BASA that these individuals travel to Moscow in small groups carrying machine guns, bullet-proof jackets, and portable radio stations. The groups travel by cars that belong mostly to the Tiraspol security ministry. "We have information that the commandos are used in Moscow by the National Russian Unity headed by Aleksandr Barkashov and by groups led by Vladimir Zhirinovskiy; yet the commandos were not told about the concrete purpose of their visit to Moscow," said Bergman. According to Bergman the assassination of Russian reporter Vlad Listiyev has destabilized the situation in Moscow and some political forces try to capitalize on that. "We do not have precise information on this, but Major Butnik of the Russian Counterespionage Federal Service (CFS), whom we detained several months ago told me personally: 'Remember, soon Moscow will be ablaze!,'" said Bergman. Referring to the situation in the Dniester region Bergman said that in fact the power is in the hands of the security minister, Vadim Shevtsov, his deputy, Oleg

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Gudymo, and the military adviser of the Dniester president, Nikolay Matveyev. " We were told that the Tiraspol security is involved in the preparations for the 26 March Dniester electoral campaign," said Bergman. He commented on [Dniester President] Igor Smirnov's yesterday's appeal to Philip Hann, head of the OSCE mission to Moldova. In his appeal Smirnov blamed the Moldovan and the Latvian Security Ministries for trying to kidnap Shevtsov (alias Antyufeyev) and Matveyev (Goncharenko) to judge them for criminal activities in 1991. Saying that he knows nothing of such intentions, Bergman stated that "no one needs Shevtsov and Matveyev; Smirnov made the appeal to hinder the solving of the Dniester dispute." The newspaper MOSKOVSKIY KOMSOMOLETS confirmed yesterday, quoting CFS sources, that employees of the Tiraspol special forces arrived to Moscow. According to the CFS, however, these individuals arrived to Moscow on their own and [words indistinct] there are not reasons to detain them.

Ethnic Ukrainians Granted Dual Citizenship

AU1303202195 Kiev MOLOD UKRAYINY in Ukrainian 10 Mar 95 p 1

[Unattributed report published under the rubric "Fact"]

[FBIS Translated Text] As of 1 March 1995, Ukrainians residing in the Moldovan Republic have the right to claim Ukrainian citizenship. For example, there are 300,000 Ukrainians residing in the Dniester region alone. In the opinion of Volodymyr But, head of the Ukrainian community in the Dniester region, this will enable Ukrainians in Moldova to have legal as well as moral support from Ukraine.

Official Warns of 'Danger' From Imported Waste

AU1403111595 Chisinau BASAPRESS in English 2033 GMT 10 Mar 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 10/3/1995—Given that Moldova did not sign any international convention banning waste traffic, there is danger that Moldova could be flooded by imported waste, Andrei Isac, senior specialist at the Environmental Protection Department, told BASA. Isac also said that several illegal shipments of waste were uncovered in 1995. The shipments contained 12 wagons with worn tires from Hungary, toxic fuels and absorbents, plastic refuses, pesticides, and chemical substances from Poland, Germany, and Russia. Isac said false documents were issued on these shipments that were sent to private firms, often non-existent. He also mentioned that when such cargoes are not tracked down, their beneficiaries sell or store them on the Moldovan territory. BASA learned from the Customs Control Department that in 1994 the government banned only the import and transportation of radioactive refuses. No such cases were tracked down, relayed the quoted sources.

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Kazakhstan

Nazarbayev Decree on Dissolution of Government

LD1303143495 Almaty Kazakhstan Television Network in Russian 1500 GMT 12 Mar 95

[Decree by President Nursultan Nazarbayev on the resignation of the Cabinet of Ministers; issued 11 March in Almaty]

[FBIS Translated Text] Having considered the application of the Cabinet of Ministers of the Republic of Kazakhstan to resign, taking into account the resolution of the Constitutional Court of the Republic of Kazakhstan issued on 6 March 1995, and in accordance with Article 85 of the Constitution of the Republic of Kazakhstan and Article 14 of the Law of the Republic of Kazakhstan on the Cabinet of Ministers of the Republic of Kazakhstan, I decree:

First, to accept the resignation of the Cabinet of Ministers of the Republic of Kazakhstan;

Second, the government of the Republic of Kazakhstan is to continue fulfilling its duties until the new composition of the Cabinet of Ministers of the Republic of Kazakhstan is defined.

Presidential Edict Reappoints Prime Minister

LD1303130095 Almaty Kazakhstan Television Network in Russian 1500 GMT 12 Mar 95

[FBIS Translated Text] Edict by the president of the Republic of Kazakhstan on the prime minister of the Republic of Kazakhstan: In accordance with Article 78 of the Constitution of the Republic of Kazakhstan and Article 3 of the Law of the Republic of Kazakhstan on temporarily delegating additional powers to the president of the Republic of Kazakhstan and the heads of local administrations, I decree:

First, to appoint Akezhan Magzhanuly Qazhygeldin as prime minister of the Republic of Kazakhstan;

Second, Prime Minister Akezhan Qazhygeldin of the Republic of Kazakhstan shall, within seven days from the moment of issuing the present decree, propose to the president of the Republic of Kazakhstan the composition of the Cabinet of Ministers of the Republic of Kazakhstan.

[Signed] [President] Nursultan Nazarbayev, Almaty, 11 March 1995.

Decree Sets Up Committee To Help Deputies

LD1303122995 Almaty Kazakhstan Television Network in Russian 1500 GMT 12 Mar 95

[FBIS Translated Text] In response to the query of President Nursultan Nazarbayev to the Constitutional Court on the legal consequences of the resolution issued on 6 March which casts doubt on the results of the parliamentary election held on 7 March 1994, the Constitutional Court sent the president an additional communication giving an explanation to the question posed, from which it follows that the powers of the deputies of the Supreme Council are unconstitutional. Thus, the fact that the country's present parliament is unconstitutional has received final judicial confirmation.

On this basis, the president has issued a number of decrees. In order to execute the resolution of the Constitutional Court, a decree has been issued on measures following the resolution of the Constitutional Court issued 6 March, by which a state commission headed by Vice President Yerik Asanbayev has been set up in order to render assistance to the deputies in finding employment, ensuring the safety of the property of the Supreme Council, and settling other issues and powers of the deputies.

President on 'Illegitimacy' of Dissolved Parliament

LD1303164295 Moscow ITAR-TASS in English 1612 GMT 13 Mar 95

[FBIS Transcribed Text] Almaty March 13—The recognition by the Constitutional Court of the illegitimacy of the parliament and the invalidity of the deputies' mandates "fully corresponds to the fundamental law of the country," Kazakh President Nursultan Nazarbayev told heads of regional administrations in Almaty on Monday [13 March].

Nazarbayev said that this decision "has caused an adequate reaction both inside and outside the republic." Many foreign politicians view the parliamentary crisis in Kazakhstan as a "normal manifestation of genuine democracy and strict observance of the law," the president said.

He stressed that the laws adopted by the parliament over the past year will have to be reviewed and revived the law on additional powers of the president and the heads of regional administrations which was in effect before the march 1994 elections. "Everything will be done in strict conformity with the Constitution and the law of the country," the president added.

Nazarbayev said that new parliamentary elections will take place within the next two to three months. Until then all statutory regulations will be adopted by the president.

He called for the soonest possible preparation of new by-laws which are critical to reforms in Kazakhstan.

The Kazakh leader pointed out that the heads of local administrations have a role to play in this process, particularly in supporting lower-income families.

Nazarbayev dissolved parliament was dissolved last week after unsuccessful attempts to resolve the gridlock with the Constitutional Court over the validity of the 1994 parliamentary elections. [sentence as received]

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The president announced that the parliament ceased its existence as of March 6, 1995 when the Constitutional Court first delivered its verdict.

The president also accepted the resignation of the government which was formed by the dissolved parliament. However, he asked Akezhan Qazhygeldin to continue as prime minister and submit his proposals on a new line-up of the government.

The vice-premiers, the defence and interior ministers, the counterintelligence chief, the finance minister and the foreign minister were also asked to stay.

The president issued a decree to set up a special commission to employ the sacked deputies. The commission will be headed by Vice-President Yerik Asanbayev.

Kazakhstan's chief justice Murat Baimakhanov blamed the disbandment of the parliament on the failure to ensure the equality of the citizens' rights during the March 1994 elections.

In an interview with ITAR-TASS, Baimakhanov, who is the chairman of the Kazakh Constitutional Court, said that the constituencies were established by the Central Electoral Commission on the basis of the administrative and territorial principle with a big difference in the number of voters, ranging from 16,000 to over 100,000.

In addition, every voter in a one-seat constituency was allowed, in violation of the constitution, by the electoral commission to vote as many times on the same ballot as was the number of candidates that appeared on it, he said. As a result, the number of votes exceeded the actual number of voters.

Nazarbayev Announces Formation of New Cabinet

LD1403111595 Moscow ITAR-TASS in English 1046 GMT 14 Mar 95

[FBIS Transcribed Text] Almaty March 14 ITAR-TASS—Kazakhstan's President Nursultan Nazarbayev is forming a new cabinet of ministers to succeed the government which collectively resigned in the wake of parliament dissolution.

The KAZTAG news agency circulated presidential decrees on new appointments today.

Vitaliy Mette, a former deputy prime minister, has been appointed first deputy prime minister.

Presidential aide Imangali Tasmagambetov gets a portfolio of deputy prime minister. Presumably, he will be in charge of social affairs, culture and mass media.

The president has introduced the post of chief of the cabinet of ministers' apparatus. The post goes to Berdybek Saparbayev, a former department chief of the government's office.

Nazarbayev: Election Code Must Be Refined

LD1403102695 Moscow ITAR-TASS in English 1012 GMT 14 Mar 95

[FBIS Transcribed Text] Almaty March 14 ITAR-TASS—Kazakhstan's President Nursultan Nazarbayev is in no hurry to form a new parliament, ITAR-TASS was told by informed sources in the president's surrounding.

Nazarbayev believes that Kazakhstan's current election code must be refined in order to avert recurrences of infringements on constitutional norms in future elections.

According to the sources, the future two-chamber parliament is seen as senate and national assembly with only law-making functions.

Nazarbayev has dissolved the previous parliament on the basis of March 11 Constitutional Court ruling which said that the parliamentary election of March 1994 did not conform to the Constitution.

The president said a new parliament would be elected "in two- three months". Nazarbayev accepted resignation of the government which had been formed by the parliament acknowledged illegitimate.

Elections Found To Violate Constitution

954F1719A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 8 Mar 95 p 1

[Unattributed report: "Constitutional Court Puts Legitimacy of Elections in Doubt"]

[FBIS Translated Text] Last Monday [6 March] the Constitutional Court of the Kazakhstan Republic published a decree adopted during the course of examination of a suit filed by former candidate for deputy Tatyana Kvyatkovskaya, who cast doubt on the constitutionality of certain documents of the Central Electoral Commission with respect to the organization and conduct of the election of deputies to the Supreme Council in March 1994.

As a result of the judicial procedure, the following documents were declared to be not in conformance with the Constitution of the Kazakhstan Republic:

1. The decree of the Central Electoral Commission of 17 December 1993 "On the Formation of Electoral Districts for the Election of Deputies of the Supreme Council of the Kazakhstan Republic," in that portion concerning the formation of Abylaykhanovskiy Electoral District No. 12 of the city of Almaty.

2. Appendix No. 1 to Decree No. 17 of the Central Electoral Commission of 11 January 1994 "On the Formation of Election Precincts for Voting by Citizens of the Kazakhstan Republic Who Are Abroad," in that portion which prescribes the election precincts abroad for Abylaykhanovskiy Electoral District No. 12 of the city of Almaty.

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3. Letter of the Central Electoral Commission, adopted by Decree No. 37 of 1 February 1994, to district and precinct electoral commissions, "On the Organization and Procedure for Voting and Tallying the Voting Results in the Election of Supreme Council Deputies by State Slate and the Results of the Election of Supreme Council Deputies by Territorial Electoral Districts on 7 March 1994," in that portion which explains the procedure for tallying the vote.

The Constitutional Court noted in the justification portion of its decree that the population of Abylaykhanovskiy Electoral District was significantly (two to three times) greater than that of other districts, which substantively violated the constitutional rights of candidates for deputy and voters, specifically—the principle of their equality. A similar disproportion was seen to take place in many other electoral districts in several oblasts of the republic.

The Constitutional Court evaluated the methodology used by the Central Electoral Commission in tallying the vote as unconstitutional, violating the principle that each voter has one vote. For in the practice of tallying the vote in all the electoral districts, all votes for a candidate for deputy whose name was not crossed out on the ballot were considered as having been cast for that candidate. Thus, in a number of districts where several deputies were running for office, the total number of votes "for" exceeds the number of voters participating in the election by a factor of one-and-a-half or two.

In summarizing its presentation, the Constitutional Court concluded that such violations of the Constitution could, in the final analysis, influence the election outcome.

What practical conclusions proceed from the decree of the Constitutional Court? The most unpleasant one is that the elections to the parliament were conducted in violation of the Constitution. In other words, the parliament itself is not legitimate.

But the president and the chairman of the Supreme Council have the right to send their objections to the Constitutional Court within 10 days. These are subject to examination by the court and may be disallowed by a qualified two-thirds majority of court members.

Plaintiff in Election Dispute Interviewed

LD1303145695 Almaty PANORAMA in Russian 11 Mar 95 p 2

[Article by N.D. Tatyana Kvyatkovskaya: "The Deputies Should Decide the Question of Parliamentary Legitimacy"]

[FBIS Translated Text] The plaintiff, Tatyana Kvyatkovskaya, comments at the request of the PANORAMA newspaper on the situation concerning the statement by President Nazarbayev following the Constitutional Court's ruling in support of charges of illegitimacy in elections in the Ablaykhanovskiy constituency in Almaty:

[Correspondent] What is your assessment of the Constitutional Court's ruling?

[Kvyatkovskaya] It was very important for me that, thanks to the ruling issued by the Constitutional Court, human rights were put above political expediency. In my opinion, the investigation left no doubt that constitutional standards were violated.

In spite of the standards established by law that the number of voters in all constituencies should "as a rule be the same", the creation of Ablaykhanovskiy constituency, which is 1.5, twice, or three times as large as any other constituency, hardly fits in with this standard. Thus, if in Auezovskiy constituency there were about 29,500,000 voters, then in Ablaykhanovskiy there were almost 90,000,000. In addition to that, God knows why, some constituencies abroad were attached to it. The Central Electoral Committee's argument was that all competing candidates should have equal chances. This argument would have been cogent if we were talking about elections to local councils. But in establishing the supreme body of state power, equal rights for all candidates must be guaranteed.

It must be taken into account that I failed to win election only in the foreign and closed wards. And when we asked to be shown the documents which would prove this, Turysov, the chairman of the Central Electoral Committee, said that he would not show the documents, even though state bodies are obliged to provide access for all candidates and their accredited representatives to the electoral protocols. Mr. Turysov pleaded their secrecy, although he could not point out the law which says that. I want to say that had good will been shown and the documents revealed, we, in feverish haste, would have agreed with the decisions made earlier. But in a case where civil rights have been so openly infringed, it appears quite natural to defend them. Moreover, I would not have been able to appeal to a normal court because we were dealing with the constitutionality of normative acts, which fall only under the jurisdiction of the Constitutional Court. At last, when we received the documents from the constituencies in our embassies abroad, gross violations and signatures of strangers in protocols were discovered. Yet the candidates were deprived of any opportunity not only to have access to and monitor the voting process, which went on behind closed doors, but also to carry out any electoral campaigning at all. Of course, I did not go to Turkey, for example, but it was essential to hand my electoral manifesto over to the people and offer them an opportunity to choose. Disagreement with the system of counting votes, which led to violation of the fundamental democratic principle described as one person-one vote, was the essential part of my claim.

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The voting was virtually held against and not for the candidates. The electorate, which voted against candidates they did not like, did not choose the best ones but arranged the worst candidates in order. The situation where the names of several candidates were left unmarked in some ballot-papers virtually led to electoral commissions deciding themselves which names to choose. In our constituency, as in many other constituencies, the result was absolutely paradoxical: a total of 58,000,000 voters cast their ballots, but the number of actual votes for candidates was 84,000,000. This led to a situation where the results of the elections were formed not on the basis of the free expression of the citizens' will, but merely by calculating the probability of the distribution of large numbers.

[Correspondent] What are the likely consequences of the Constitutional Court ruling?

[Kvyatkovskaya] In bringing my action I was primarily defending my individual rights, and I consider this ruling as the reinstatement [of those rights]. Concrete decisions should be taken by the state bodies, among others by the Supreme Council. It would be undesirable for the decision-making process to ignore Constitutional Court rulings. It is clear that the decisions have led to a difficult situation from which there are no absolutely clear exits.

[Correspondent] What, in your opinion, was the predominant factor that influenced the Constitutional Court ruling: purely legal or political motives?

[Kvyatkovskaya] If political motives were predominant, the ruling could hardly have been adopted—I am against seeing political aspects above all in Constitutional Court decisions. The main reason was to defend civil rights and democratic principles.

[Correspondent] To what extend, in your opinion, is the present composition of the Supreme Council legitimate after the adopted ruling?

[Kvyatkovskaya] That question is best addressed to the deputies. I can only say that the elections held in many constituencies were fair. Thus, the head of Kustanay region administration himself did everything so that they [the elections] were carried out in accordance with democratic principles, and promised to press charges in the event of any violations being discovered. Thus, the deputies of Kustanay region should have no doubts about their legitimacy. I myself took part in these elections mostly as a journalist, with the intention of seeing the situation from within and possibly writing about it afterwards.

President Meets With Media, Discusses Crime, Economy

LD1403114095 Almaty Kazakh Television Network in Russian 1500 GMT 13 Mar 95

[FBIS Translated Excerpt] Today, the president held a meeting with the heads of newspapers, magazines, and the television and radio companies of Kazakhstan.

The president began his talk with the journalists by answering the question—what has been the reaction of the world media toward the parliamentary crisis in the republic?

As it turned out, on the whole the foreign mass media have regarded this extraordinary event with understanding. It simply could not be otherwise. There can be no democracy where the basic law, the Constitution, is not observed. [passage omitted]

There is no need to conceal, noted the president, that the former parliament adopted only seven laws in the course of a whole year. Such important draft laws were impeded as the tax code, laws on bankruptcy, on securities, on deposits, on state service, and others. At the same time the planned budget expenditure for the maintenance of the corps of deputies for 1995 was 1.2 billion tenge. "Apart from adopting laws to accelerate market reform", said President Nursultan Nazarbayev, "I intend to introduce a number of changes to the Criminal Code. The ground will be ablaze beneath the feet of criminals. And the citizens of the Republic need not fear for their property and lives." To this end, the president intends to hold an expanded meeting on Sunday with leaders of the police, courts and prosecutors offices.

Answering questions about the economic situation in the country, the president gave the following figures: The state debt to state and collective farms of the Republic for the last year, which amounted to 300.2 billion tenge, has been liquidated. Trade turnover and exports have increased three and fourfold. The production of lead, chromium ore and rolled metal have increased significantly. In a word, for the first time since the collapse of the Soviet Union, the Republic's industry has started to turn around. And this did not delay to reflect itself in the inflation rate, which has gone down by 15 percent. "I believe", said the president in concluding the meeting, "that by making a common effort we shall get the country out of the crisis into which it has fallen as a result of a series of objective and subjective reasons. The main thing is to keep stability and order in the country."

Foreign Minister Addresses Diplomats

LD1303132795 Almaty Kazakhstan Television Network in Russian 1500 GMT 12 Mar 95

[FBIS Translated Text] Foreign Minister Qasymzhomart Toqayev held a meeting today with the heads of diplomatic missions and international organizations accredited in Almaty.

[Unidentified correspondent] The minister informed them about events connected with the decision of the Constitutional Court on the illegality of the powers of Supreme Council deputies. It was stressed that in the present conditions President Nursultan Nazarbayev is guided by a principled stand, that of strict observance of the Constitution of the Republic of Kazakhstan.

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The foreign minister noted that there are no signs of political crisis in the country. Qasymzhomart Toqayev stated that the foreign policy of the Republic of Kazakhstan, which is conducted under the leadership of President Nursultan Nazarbayev, is to maintain continuity and to ensure that all the international commitments of the government remain in force.

In a statement made at the meeting, U.S. Ambassador William Courtney stressed in particular that the decision of the Constitutional Court and the respect shown for its decision will promote the consolidation of legality in the republic.

Ambassador Says No Sign of Political Crisis

LD1403112295 Moscow ITAR-TASS World Service in Russian 1031 GMT 14 Mar 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevruikov]

[FBIS Translated Text] Moscow, 14 Mar—At a news conference today dedicated to the situation in Kazakhstan after the dissolution of parliament, Kazakhstan's Ambassador to Russia Tair Mansurov said that the Kazakh Government will honor all its international commitments. He noted that there are no signs of political crisis in the republic—there is only a parliamentary crisis. The situation in the center and in the localities remains stable.

The ambassador stressed that the parliamentary crisis will not affect the local bodies of legislative power, and "in no way will affect the accords reached earlier between Russia and Kazakhstan," in particular those on the creation of the single common and economic space. Mansurov also noted that the foreign policy of Almaty will maintain its continuity, and as before is aimed at promoting cooperation and friendly relations with all CIS countries and other countries of the world.

In the near future, the ambassador said, President Nursultan Nazarbayev will announce the date of new parliamentary elections. The date when they are held will depend on how quickly the legality of laws adopted by the previous Supreme Soviet are defined, as well as their compliance with the Constitution. It is also nessessary "to deal with the mistakes made by the previous Central Electoral Commission," and to appoint new members of the commission, Mansurov added.

Tajikistan

Rakhmanov in Pakistan To Meet Tajik Opposition Leader

LD1303183495 Moscow INTERFAX in English 1625 GMT 13 Mar 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Emomali Rakhmanov who stayed in Copenhagen last week-end attending the international conference for problems of the social development, left for Islamabad on Monday [13 March] to take part in the meeting of leaders of Azerbaijan, Afghanistan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Turkey, Turkmenistan, Tajikistan and Uzbekistan. The meeting will be devoted to problems of regional cooperation and the economic integration. The visit will last approximately until March 17.

During his visit to Pakistan, Rakhmanov is expected to meet one of the leaders of the Tajik opposition, deputy chairman of the Movement of Islamic Renaissance of Tajikistan, Akbar Turadzhonzoda.

Sources close to the Tajik president's administration, told Interfax that under discussion at the meeting will be problems of the inter-Tajik settlement, including the date and venue for the fourth round of the inter-Tajik talks.

The opposition leader repeatedly said that "the holding of this round of talks will depend, first of all, on whether the agreements are implemented". According to Turadzhonzoda, the recent presidential and parliamentary elections are "the violation of the understandings reached way back at the first round of talks."

Meanwhile, last Sunday there were the repeat elections to parliament in 19 constituencies of Tajikistan. A spokesman for the republic's central election commission told Interfax that the results of the elections were considered valid in 17 constituencies.

On the whole, taking part in the elections in 19 constituencies were 69.6

of the total number of voters, including in Dushanbe (58.8

). Thus, said the spokesman, the Tajik parliament "is virtually formed". IF Note: The elections to the Tajik parliament were held on February 28 and at 162 constituencies out of 181 they were considered valid. At 19 constituencies, where the candidates did not collect the necessary number of votes (50.1%), repeat elections were scheduled.

According to the central election commission, after the result of the repeat elections were summed up, additional elections were scheduled in one of 19 constituencies. "Something needs to be clarified", following the elections at one constituency situated in the Leninabad Region.

According to the republic's newspaper "Voice of Tajikistan" (mouthpiece of the Tajik Communist Party), Communists will make up the largest faction in parliament—60 seats. The People's Party of Tajikistan will be represented by five deputies, the Party of People's Unity by two, the Party of Economic and Political Revival by one deputy.

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Out of 18 female candidates five became parliament deputies and all of them are members of the Communist party.

According to independent observers, around 60 deputies to the new parliament are nomenclature representatives—leaders of regional, city and district administrations. The working class will be represented by two deputies.

The spokesman said that the first session of the new parliament will take place approximately late in March.

UN-Tajik Cease-Fire Commission Leaves Afghanistan

LD1403120595 (Clandestine) Voice of Free Tajikistan in Tajik 0330 GMT 14 Mar 95

[FBIS Translated Text] According to a report from our correspondent from 10-13 March this year the delegates of the UN joint commission on the implementation of the temporary cease-fire in Tajikistan travelled to Tajik refugee camps located in the north of Afghanistan.

During this trip the delegation of observers held an official meeting with Sayed Abdullo Nuri, leader of the Islamic Movement of Tajikistan. According to General Hasan Abbas, the head of this delegation, the main goal of the trip by the observers, was to hold a meeting with Sayed Abdullo Nuri, the leader of the nation's jihad movement, and to coordinate the activities of the United Nations and Islamic Movement of Tajikistan on the temporary cease-fire between the opposition and the communist government of Tajikistan.

Hasan Abbas in a conversation with our correspondent stressed that it would be impossible to settle the political problem of Tajikistan without the participation of the Islamic Movement of Tajikistan. Abbas said: That is why after returning to Dushanbe, we will ask the government of Tajikistan to seek more opportunities to find a common language with the opposition. In his turn, Abbas on behalf of the members of the delegation of observers promised Sayed Abdullo Nuri to do everything necessary to implement his mandate in Tajikistan.

Before their departure the aforementioned delegation visited Amirabad Camp in the Kunduz region in the Islamic State of Afghanistan.

Russian Guards Kill Intruder at Tajik-Afghan Border

LD1403073495 Moscow ITAR-TASS World Service in Russian 0707 GMT 14 Mar 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Text] Dushanbe, 14 March—Another attempt to cross the Tajik-Afghan border illegally on a section of the Khorog border detachment's number six border post was thwarted on the evening of 13 March. The ITAR-TASS correspondent learned from military sources in Dushanbe that Russian border guards discovered three armed border violators crossing the river from Afghanistan. After firing warning shots they opened fire for effect. One of the intruders was killed, and two returned to the opposite bank.

Describing the operational situation as a whole, military sources said it had not changed significantly.

Rebel Radio Alleges Regime Murdered Deputy Premier

LD1403114895 (Clandestine) Voice of Free Tajikistan in Tajik 0330 GMT 14 Mar 95

[FBIS Translated Text] A year has passed since the savage murder of Professor Moyonsho Nazarshoyev, a Badakhshani and deputy prime minister of the Dushanbe regime. [word indistinct] last year, on that day and night, Tajik Radio and Television made scenes around this murder, but a year later, they have put a seal of silence on their lips. And a year later, the murderer of Moyonsho Nazarshoyev has not been identified, and this murder could remain a state secret for many years. Salim Asozod comments on this issue:

[Salim Asozod] A year ago on this day and night, members of his family, friends, and students were mourning the loss of Moyonsho Nazarshoyev, the republic's deputy prime minister, and also on the same day and night last year, the officials of the communist regime of Tajikistan were continuously announcing that the murder of the deputy prime minister was the work of the opposition. Even Mahmadnazar Solehov, the general prosecutor of the regime, using fabricated facts, claimed that the jihad group of the Islamic Movement of Tajikistan under the command of Commander Qosimjon was responsible for the murder of Nazarshoyev. They also said that the government opposition killed Nazarshoyev in order to prevent peace talks from being held, since he was appointed the leader of the regime's delegation at the peace talks. In short, these kinds of lies and false accusations were bandied around by those close to Rakhmanov and his lackeys. But not so long afterwards, communist leaders forgot their former government colleague to such an extent that it seemed such a person had never existed and never worked for them.

And now, a year after Nazarshoyev's death, no one remembers him in the terrifying halls of the regime. Radio and television are silent and the fellow citizens of the faithful communist loyal to Rakhmanov are silent, too. Those who at this time in 1994 cried and sighed a lot have today put a seal of silence on their lips. Why? What is the reason for these tricks of the regime? There is only one answer: Moyonsho Nazarshoyev was murdered according to the plans and advise of the current leaders of Tajikistan, since the enemies of the people needed it. He had completed his mission. His former comrades-in-arms and new colleagues that came from the criminal world did not need Moyonsho Nazarshoyev any more. In short Professor Nazarshoyev became a victim of a government assassination.

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Here we need to explain the case in more detail. A month and a half after the murder of the deputy prime minister, a savage slaughter took place in Gissar District and as a result, more than 10 people were killed. This slaughter unravelled the thread of the crimes of high-ranking personnel of the regime, in particular Yaqub Salimov, the minister who came with the regime. According to a report from those who were involved in the Gissar tragedy, Farhod Almosi, former head of a group from Sangak's so called Popular Front, together with Rustam, Deputy Chairman Abdulmajid Dostiyev's private bodyguard, who was known as Rustam-i Shram [Rustam the Scar] or Rustam-i Chartuti, killed Nazarshoyev. And this work was performed under the personal guidance of Yaqub Salimov, the interior minister. On the other hand, Yaqub Salimov, who once was a racketeer and is now a legal one, gave permission for the murder of Nazarshoyev, the deputy prime minister, according to orders from his foreign supporters—an order from those who sensed political danger and felt uneasy about the start of peace talks in the society of Tajikistan. Nazarshoyev was killed by those who tore Tajikistan's society into bits and sacrificed thousands.

Observers on Democracy After Multiparty Elections

AU1403105795 Kiev HOLOS UKRAYINY in Ukrainian 10 Mar 95 p 4

[Report by Yuriy Kushko from Dushanbe: "It Is a Long Wait"]

[FBIS Translated Text] As a result of the 26 February elections, 161 persons became people's deputies. Another 20 seats remain vacant. However, there is already a quorum.

In the opinion of Kholmurod Sharipov, chairman of the Central Electoral Committee, the elections were free and democratic. "First, they were on a multiparty basis, something that never happened before in our history," he pointed out, "and second, the free nomination of candidates was more extensive in our country than, for example, in neighboring ones, where almost 50 percent of candidates were nominated from above."

This did not sound very convincing. The argument to the effect that "things are worse with neighbors" is not a criterion of democracy: We either have it or don't have it. Regarding the multiparty principle, not everything is that simple here too: One of the four officially registered parties—the People's Unity Party, headed by Abdumalik Abdullodzhanov, announced a boycott after the authorities refused to register the party leader and many of his associates. Islamic radicals, who are presently in exile, did not show any interest in the campaign right from the start. Besides, the parties were restricted by the norm for candidate nomination—one per area, and not per single-mandate constituency.

As a result, the parties are rather poorly represented in parliament: Three seats belong to Communists, five to the People's Party, and one to the Political and Economic Renewal party. Despite the boycott, one candidate, representing supporters of the Abdullodzhanov party, passed and yet another—as a representative of the labor collective.

The so-called "power party" will constitute the main group in the parliament—chairmen of oblast, rayon, and town administrations, high-ranking officials from the preceding Supreme Council, and representatives of power structures, of whom many, during the civil war, headed the armed units of the People's Front—that very force, which ensured the coming to power in November 1992 of the present Tajik leadership.

"By their own hands, the authorities have created a considerable internal opposition, the intricate confrontation with which may have consequences for the republic that may even be more serious than the old conflict with Islamic radicals," a representative of the Organization for Security and Cooperation in Europe in Tajikistan believes.

Some Western diplomats are desperate: "It is difficult to govern a country where a strong hand is usually held in high esteem without a certain austerity. One can hardly expect the same democratic norms in Tajikistan as prevail, for example, in the United States." [President] Rakhmanov, as though corroborating the above statement, said that even 100 years is not time enough to build a democracy. In the case of Tajikistan, this may well be true.

Turkmenistan

President Receives Czech Foreign Minister

LD1403115095 Ashgabat TURKMEN PRESS in Russian 1550 GMT 13 Mar 95

[FBIS Translated Text] On 6 March, Turkmen President Saparmurad Niyazov received the Czech Foreign Minister Josef Zieleniec who was on official visit to this country.

During the meeting, a thorough exchange of opinions took place on the political and economic situation in the Central Asian region. Mr. Zieleniec noted that Turkmenistan is a kind of cross-roads for Europe and Asia and that its policy of positive neutrality as well as the stable political situation are making it more attractive for the business circles of foreign countries.

In confirmation of his words, the foreign minister said that he is accompanied by a delegation of Czech businessmen, amongst which are representatives of 29 major companies and firms. As was noted by the foreign minister, the Czech side is interested in transporting Turkmen fuels to the world market and at present the possibility of participation in oil and gas pipeline construction is under consideration. The prospects for cooperation in the field of transport seem very promising.

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The possibility of creating a joint venture in Turkmenistan to assemble Avia cars as well as deliver rail transport is currently being discussed.

British Companies Interested in Turkmen Oil, Gas

LD1403104995 Ashgabat TURKMENSKAYA ISKRA in Russian 6 Mar 95 p1

[FBIS Translated Text] Foreign companies are showing yet greater interest in the development of Turkmenistan's oil and gas sector. It has grown noticeably since the Balkanneftkhimprom was awarded the 'Golden Globe' international prize at the end of last year for quality of output, active participation in the economic development of Turkmenistan, and its integration into the world economy. Representatives of Russia's joint-stock company Lukoil and the 'Petronazh' company from Malaysia have come to Nebitdag with a proposal to create joint ventures aimed at effective prospecting in the west of Turkmenistan.

Recently, representatives from such well-known British companies as Monument, Bectel, Rolls Royce, Wood Mackenzie, and Penspen, have expressed a desire to take part in developing the oil and gas sector. As Timothy Eggar, British minister for energy and industry noted, this direction of Turkmen-English cooperation in particular promises to be the most fruitful.

The English company 'Monument Oil and Gas' has proposed the joint development of the old Gumdag and Vyshka (Nebitdag) deposits, which are in their final stages of operation, and where it is difficult to extract hydrocarbon raw materials at this stage.

It is interesting to note that British joint venture partners are ready to take the main expenditures upon themselves for developing the deeper levels of these deposits where, in our opinion, there are rich deposits of hydrocarbon raw materials, Redzhepbay Orazov, the chief geologist and deputy chairman of Balkanneftkhimprom, said. The British companies call the project "Risk and Reward." They are offering to sign a 25-year contract, with an initial period of 5 years during which they intend to invest $50 million. They will bore holes on lower, undeveloped levels of the old deposits using up-to-date techniques and technology. They promise to do all this without lowering attained levels of oil and gas extraction at the old deposits. The Englishmen have agreed to receive their share of hydrocarbon raw material in fixed amounts only from increased volumes of growth from the "second birth" of the old deposits.

At present the "Risk and Reward" project is being studied in detail by Balkanneftkhimprom and Turkmenistan's Ministry of Oil and Gas. It is interesting to add that British business circles, having acquainted themselves with the basic provisions of the plan of President Saparmyrat Turkmenbashy Niyazov on the development of the Turkmen oil and gas sector up to 2020, have shown a desire to participate in building a transcontinental gas pipeline, Turkmenistan-Iran-Turkey-Europe, to invest in the development of the industry's infrastructure, and to supply the equipment necessary for Turkmenistan to speed up the development of its oil and gas industry.

Uzbekistan To Be Paid With Aviation Fuel

LD0903203595 Moscow INTERFAX in English 1941 GMT 9 Mar 95

[FBIS Transcribed Text] TASHKENT, Mar 9 (Interfax)—Turkmenistan will supply 150,000 tonnes of aviation fuel to Uzbekistan as payment for the pumping of natural gas to Ukraine across Uzbekistan, Arslan Ruzmetov, deputy director of the Uzbek National Air Lines, said at a briefing in Tashkent on the company's operation.

Uzbek Deputy Prime Minister Yuri Paygin had signed a protocol with the Ukrainian government during his stay in Kiev in mid-February under which Ukraine was to supply to Uzbekistan goods worth $119,778,000 as payment for the transit of Turkmenian gas.

Metal products and pipes for the gas industry will be supplied via the Ukrresursy company. Uzbekistan also wanted Ukraine to supply various foodstuffs, in particular sugar.

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Armenia

Ter-Petrosyan Speech at UN Copenhagen Summit

NC1403052095 Yerevan NOYAN TAPAN in English 1551 GMT 13 Mar 95

[FBIS Transcribed Text] 13/03/95 NOYAN TAPAN—On March 12 the Armenian President Levon Ter-Petrosyan made a speech at the UN Conference on Social Development held in Copenhagen. He in particular said:

"The Program of Actions adopted by this conference is the evidence of interdependence of economic and social development. The process of reform of centralized economies includes a policy of structural changes. In particular, it includes liberalization of trade and investments as well as fiscal and tax reforms. Economic reforms require establishment of political, economic, social and legal basis. And all these is possible due to social development.

"Armenia has already embarked on the path of reforms. Moreover, Armenia has started a new program of reforms in the old system of social security. This program is focused on more efficient protection of the neediest.

"The economic transition in Armenia like in other newly independent states has no precedent. It requires patience and commitment as well as support and cooperation of the international community.

"Short and mid-term programs as well as long-term strategic programs for settlement could not be completely successful without stable development of the world economy and favourable external conditions. Different donor-foundations should co-ordinate their fiscal policies and planning systems in an effort to enhance the efficiency of their support.

"We welcome the fact that the Program of Actions envisages reforms in several UN spheres with an aim to stimulate social progress and development of mankind.

"Besides, we welcome an appeal to the World Bank, International Monetary Fund, regional and sub-regional banks and funds to pay greater attention to the problems of social development, when elaborating programs or plans of activities.

"In order to follow the Program of Actions of this conference, we must support each other at different levels. Every country must realize an extent of its responsibility for implementation of resolutions passed at this conference.

"The Republic of Armenia assumes its share of responsibly for the resolution of social problems of the international community.

"Success of this top level forum requires cooperation of the entire society, non-governmental organizations, and private enterprises and investors."

Vice President Discusses Energy With Iranian Group

NC1403065895 Yerevan NOYAN TAPAN in English 1551 GMT 13 May 95

[FBIS Transcribed Text] 13/03/95 NOYAN TAPAN—On March 11 the Armenian Vice-President Gagik Harutyunyan received representatives of the Iranian delegation headed by the Deputy Minister of Energy 'Ali Vakili. The delegation arrived in Armenia to discuss some issues concerning cooperation between the two countries in the energy field. Deputy Minister of Energy of the Islamic Republic of Iran said that Iran is concerned with development of bilateral mutually-beneficial ties. The Armenian Vice-President expressed his content with work carried out by the two Energy Ministries in the energy field and noted, that steps taken for implementation of concrete programs, will soon take on business nature.

U.S. National Appointed Adviser to Prime Minister

LD1303195495 Moscow ITAR-TASS in English 1808 GMT 13 Mar 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Transcribed Text] Yerevan March 13 TASS—Former Armenian State Minister Sepukh (Steve) Tashchyan has been appointed chief adviser to the Armenian prime minister.

Tashchyan who was sacked as state minister by President Levon Ter-Petrosyan last Wednesday [8 March] has been appointed the Armenian Government's representative for power engineering and natural resources. He is expected to carry out his duties in the United States.

Tashchyan, 59, is a U.S. citizen. An engineer by education, he was appointed state minister in February 1993 and was in charge of power engineering. In particular, Tashchyan supervised the work to resume the operation of the Armenian nuclear power plant and directed energy development programmes.

In 1992 and 1994, Tashchyan worked as Armenia's minister of energy and fuel. He has been on the board of directors of the Armenian oil and gas fund, Armoil, since September 1993. The fund was established in the U.S. with the participation of Armenian and American specialists to prospect for and extract oil near the Armenian capital.

A decree signed by the Armenian president said that Tashchyan was relieved of his duties "in connection with his transfer to another job." Official structures have so far refrained from any comments on his removal.

There are no foreign nationals in the Armenian Government now, except two U.S. citizens serving as a chief adviser to the president and a deputy foreign minister, and a French working as deputy minister of agriculture.

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Commenting on Tashchyan's departure, the Armenian newspaper AIASTAN said that despite his sensational statements and a huge amount of hard currency wasted for nothing, he has failed to launch the production of oil and gas in Armenia suffering from a severe shortage of fuel and energy.

Azerbaijan Said Continuing To Shell Northern Border

NC1303152395 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 13 Mar 95

[FBIS Translated Text] We have already reported on the current situation in Armenia's border regions during our 1400 [1000 GMT] and 1500 [1100 GMT] newscasts. Let me inform those who followed those newscasts that we have not received any additional information, and this gives us reason to state that the situation on the borders has not changed. For those who did not follow our previous newscasts, let me once more repeat the report by the Armenian Defense Ministry press service:

The Azerbaijani side is not putting an end to its subversive actions on Armenia's northeastern borders. The defensive positions of Dovegh in Noyemberian were shelled for an hour from mortars and various other firearms as of 2245 yesterday. One person was injured.

The defensive positions of Berdaper in Ijevan were shelled between 2140 and 0115 from various firearms, and that of Sarigyugh in the same region between 2200 and 2220, and then periodically until 0115. There were no casualties.

In all cases our border guards did not retaliate.

The Armenian Defense Ministry press service confirmed that no incidents took place on the rest of the Armenian-Azerbaijani border last night and today.

Also, no incidents were registered in the Karabakh fronts. This was reported by the press service of Nagorno-Karabakh Republic Defense Army headquarters.

Yerevan Updates 10-13 Mar Cease-Fire Violations

NC1303193195 Yerevan Radio Yerevan in Azeri 1530 GMT 13 Mar 95

[FBIS Translated Text] Provocative activities from Azerbaijan's territory against Armenia are gradually increasing. The most recent incidents took place in Armenia's northeastern border areas. The Azerbaijani side fired on the defense positions around Doveg in Noyemberyan District with mortars and other light infantry weapons from 2300 on 10 March to 0020 the next day. Doveg also was fired on with various types of arms from 2245 to 2345 on 11 March. An Armenian soldier was wounded in the incidents.

The defense positions in Berkaber and [name indistinct] in Ijevan District were intermittently fired on with infantry weapons from 2200 last night to 0115 this morning.

Spokesman Denies Offensive Against Azerbaijan

NC1303221495 Yerevan NOYAN TAPAN in English 1637 GMT 13 Mar 95

[FBIS Transcribed Text] 13/03/95 NOYAN TAPAN—Lately, some foreign sources have spread an information that Armenian army allegedly mounted an offensive in direction of the Azeri Tauz town. The Armenian President's Acting Spokesman said that all these rumours are devoid of any grounds. "No combat activities are going on in the area adjacent to the Armenian-Azeri border. After a telephone conversation of the Armenian President Levon Ter-Petrosyan with his Azeri counterpart Geydar Aliyev the problem was settled," Zurabyan said.

Border Commander Denies Provocation by Turkey

NC1303212895 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 13 Mar 95

[FBIS Translated Text] It was not even an incident, but a mere happenstance that has nothing to do at all with the situation at the border region. This is how the nighttime shots fired near one of the border posts of Armavir detachment on 9 March [date as received] was interpreted by Mikayel Hovhannesian, commander of the Russian Border Troops Unit in Armenia. In the words of the major general, the reports of Turkish provocations in the border zone are unfounded. It was simply that a young Turkish soldiers at a guard post fired two shots after being frightened by a rustle. This was confirmed during the joint investigation with the representatives of the Turkish border commissariat.

Liparityan on Recognition of Genocide

NC1303171595 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1406 GMT 13 Mar 95

[FBIS Transcribed Text] Yerevan ("Lragir" daily), 03/11/95—Radio Liberty broadcasted its interview with RA [Republic of Armenia] President's Chief Advisor Zhirayr Liparityan.

Mr. Liparityan said that Turkey has many problems to resolve today, and there is possibility that Ankara may lift the "air prohibition". During one of the meetings in Ankara touched the theme of celebrating 80th anniversary of the Genocide of Armenians. Based on the request of Turkish speaker, he presented the schedule of activities planned in this regard. Liparityan said that Turkey also understood that the Armenian state has a moral duty for its citizens, and will implement it. He mentioned that recognition of the Genocide by other countries is an important moral problem and duty, to be paid to the Armenian people by international community, and particularly by Turkey.

Concerning the problem of Mountainous Karabakh, Liparityan said that it is to be resolved in three stages: stabilization of the fragile cease-fire, replacing it with peace with stationing of peacekeeping forces, and definition of Karabakh's status. President's Chief Adviser

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does not share the opinion that the war will restart again, and believes that recent tension at the Armenian-Azeri borders is a regular naive attempt of Baku to present the Azeri-Karabakh conflict as a conflict between Azerbaijan and Armenia.

Liparityan refused to discuss the problem of suspending operation of ARF [Armenian Revolutionary Federation] Dashnaktsutyun party during his recent visit to Turkey. He added that he would not discuss this problem in this interview too, since it is an internal political problem, whereas he is responsible for foreign policy.

Dro Budget Said To Contain 'Huge Funds'

954F1720A Yerevan RESPUBLIKA ARMENIYA in Russian 8 Mar 95 p 1

[ARMENPRESS report: "A Budget No Worse Than a State Budget—Dro Budget Estimate Is $1.3 Million"]

[FBIS Translated Text] The budget estimate for "Dro," published in the 4 March 1995 issue of the newspaper AYASTANI ANRAPETUTYUN, reveals vast financial outlays for political terror, drug business, illegal economic activity, and the organization of foreign intelligence. The figures are indeed impressive, and the question arises as to the source of these tremendous amounts of money.

It has long been known that numerous diaspora organizations of the party Dashnaktsutyun used the struggle for liberation of Karabakh to amass millions in contributions during various shows and marathons, only a very small portion of which were delivered to Karabakh. This enables us to conclude that the main portion of the funds is being spent on party structure subscriptions. Published for the first time, the budget estimate of the Armenian secret service branch "Dro" is shedding light on the objectives financed by funds collected to support the Karabakh liberation struggle. There was a single objective, AYASTANI ANRAPETUTYUN concludes: Having $1,346,250 at its disposal, Dashnaktsutyun in Armenia, Artsakh, and the Foreign Intelligence Center have begun to operate on the state level.

1994 Statistics Show Population Decline

954F1720B Yerevan VREMYA in Russian 8 Mar 95 p 1

[Report by VREMYA, NOYAN TAPAN, and SNARK correspondents: "Fewer and Fewer Armenians...in Armenia"]

[FBIS Translated Text] According to official data, 12,300 individuals left Armenia in 1994.

Total growth of the population in 1994 was 14,100. Taking natural growth into account, this index increased by 26,400, as opposed to 31,500 in 1993. An decrease was seen in 1994 in births as well as deaths over the 1993 levels. Some 50,500 children were born in the republic in 1994, as opposed to 59,000 in 1993, while 24,100 deaths were registered, in contrast to 27,500 the previous year.

In 1994, 17,300 marriages were recorded in the republic, as opposed to 21,500 the previous year. There were 3,500 divorces, as opposed to 3,100 in 1993.

Azerbaijan

Aliyev Returns From Conference in Denmark

NC1303190995 Baku TURAN in English 1420 GMT 13 Mar 95

[FBIS Transcribed Text] Baku (March 13) TURAN—Last night Azeri delegation headed by President Aliyev returned from Copenhagen to Baku.

The delegation took part at the work of the UN Conference dedicated to the problems of social development.

In his report President Aliyev informed the participants of the forum about Azerbaijan's social problems. He mentioned that today the problem of million of refugees driven out of their lands during Armenian aggression is the basic problem of Azerbaijan. Azeri President recalled that 20 per cent of Azerbaijani territories are occupied by Armenia.

During the last day of the forum President Aliyev met with the heads of the delegations from several countries, including the Turkish President, Suleyman Demirel. After that meeting Azeri President answered the questions of journalists.

Questioned about development of the Azeri oil-fields, President Aliyev said that the "contract of century" works now. "The export oil pipeline will be laid through Turkey", Azeri President said. He said that the route of the oil pipeline from Azerbaijan to the Mediterranean terminals of the Turkey needs working up. "It is yet to be decided through which countries it will be laid before going out to Turkey", President Aliyev mentioned. Azeri President also said that he adopted the resolution on increasing Turkey's share in the oil contract by additional 5 per cent. "Up to now Turkey's share in the consortium was 1.75 percent and after the request of Turkey's President Demirel, we decided to increase Turkey's share by additional 5 per cent at the expense of Azeri share", he mentioned. President Aliyev said that the consortium considered and approved the resolution of the Azeri leadership in London. Azeri President stressed that increase in Turkey's share in the consortium has nothing to do with other issues, in particular the issue on giving Iran the share in the consortium.

As far as Turkey's opening of the humanitarian corridor for Armenia is concerned, President Aliyev expressed hope that Turkey will not open the corridor for Armenia, since Armenia occupied and maintains the control over approximately 20 per cent of Azerbaijan's territory. Azeri President said that during his meeting with Turkish President Demirel in Copenhagen they found

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agreement that Turkey will not open corridor for Armenia before liberation of all occupied Azeri territories, refugees' home-coming and security of Azerbaijan's territorial integrity. President Aliyev said that Azerbaijan will not understand another approach to this issue.

Aliyev Confirms Turkey's Share in Caspian Oil Deposits

LD1303172595 Moscow INTERFAX in English 1549 GMT 13 Mar 95

[FBIS Transcribed Text] BAKU, Mar 13 (PIA-Interfax)—Azeri President Geydar Aliyev has confirmed the decision on the transfer to the Turkish Oil Corporation of the 5 percent share in the international consortium for developing shelf deposits at the Caspian Sea.

In an interview with journalists before the departure of the Azeri delegation from Copenhagen (Denmark), where it took part in the international conference for social development, Aliyev said that he had taken the decision after "persistent requests" by Turkish Prime Minister Tansu Ciller and President Suleyman Demirel. He also said that the decision about the greater share for Turkey was approved by the consortium. Earlier, the Turkish Oil Corporation controlled 1.75 percent of its capital.

At the same time, the Western firms, which signed the "Gulistan contract" for the development of the Azeri shelf, had a negative attitude towards the possible participation in it of Iran, which claimed the 5 percent share in the consortium.

The Azeri president said that he backs Turkey's desire to build a new export pipeline to its oil terminals in the Mediterranean. Turkey, believes Aliyev, will be able to guarantee free export of the Azeri oil extracted at the new deposits with the help of Western firms. He made it clear that the problem had been discussed during his meeting with Turkish President Demirel in Copenhagen.

For its part, Baku asked Ankara not to cancel its ban on goods transit to Armenia.

Azerbaijan's search for alternative ways to export oil faces a tough reaction on the part of Russia, which has its own network of export pipelines. As an alternative, Moscow proposes that Baku take part in the loading of the Caspian pipeline from Tikhoretsk to terminals in the Black Sea, which is under construction.

Talks With IMF on Financial Aid Conclude

NC1303173295 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 11 Mar 95

[FBIS Translated Text] The talks on the IMF credits to Azerbaijan were concluded yesterday. The negotiations have continued for more than two years. Speaking at a press conference, Minister of Finance Fikret Yusifov said that the draft on the direction of the economic reforms in Azerbaijan was approved. The IMF Council of Directors is expected to approve the draft program on 19 April. An initial long-term credit totaling more than $40 million will be extended to Azerbaijan when the document is approved. It was noted that work will be resumed on the second stage of the program after three months. Another credit of $40 million will be allocated after structural changes are done. The stand-by agreement, which is a part of the program for the establishment of economic and financial stability in Azerbaijan, will provide for the allocation of another $60 to $70 million.

The Azerbaijan Council of Ministers and Ministry of Finance are currently drawing up documents for the meeting the World Development Bank and the IMF countries will hold in Paris in May. The meeting will also establish the aid the two international organizations will extend to Azerbaijan.

The participants of the press conference were briefed on the talks that have been held with the Asian Development Bank and Japan for the removal of the Republic's financial and economic problems. Mete Durda, the IMF representative in Azerbaijan, attended the press conference. The journalists asked questions on the financial aid to be given to Azerbaijan and the effort that is being made to resolve the economic crisis in the Republic.

Pipeline Said To Be Armenian Attack Target

NC1403090495 Ankara TURKISH DAILY NEWS in English 11 Mar 95 pp 1, A8

[Report by Umit Erginsoy]

[FBIS Transcribed Text] Ankara—A new Armenian attack on northwestern Azerbaijan may threaten a pipeline designed to carry early Caspian oil output to the Black Sea via Georgia, analysts said on Friday [10 March]. Armenian regular troops advanced to the edges of the key Azerbaijani town of Tauz on Thursday as continued clashes threatened to wreck a fragile ceasefire between the two former Soviet republics, REUTERS reported.

Several days of intense fighting have seen the Armenians move within striking distance of a key rail and road junction in the north of Azerbaijan, the agency said.

Tauz is situated on the main east-west rail and road junction which links the region to the rest of Azerbaijan. It is also the only transport route into Georgia, 70 Km to the north. The region also lies slightly to the south of the Azeri-Georgian oil pipeline. The pipeline was expected to bring early output from Azerbaijan's Caspian oil fields as part of a Western-led consortium's project to exploit Azeri petroleum.

Sources close to the consortium said the Georgian pipeline's use was planned until 1998, the year when a main oil pipeline to carry the Caspian oil to the Mediterranean, possibly via Turkey, would start operation.

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Analysts say if the Armenians manage to take control of the pipeline region in northern Azerbaijan, use of the Georgian pipeline will not be possible.

Meanwhile, a top Azerbaijani official in Ankara denied on Friday reports suggesting that Baku had requested Turkey to reopen an air corridor that would enable resumption of flights to Armenia via Turkish airspace. Foreign Ministry officials, however, insisted that there was such a request.

"I've talked to the highest level authorities from Azerbaijan's airline company. They've told me that no such request has been made," Azerbaijani official told the TURKISH DAILY NEWS.

"Plus, we must really be crazy to ask for a favor for Armenia at a time when the Armenians continue to occupy our lands and even launch new attacks," he said.

Press reports, later confirmed by the Foreign Ministry, said earlier this week that Azerbaijan's airline company had asked Turkey, via the international civil aviation agency, to open the H-50 air route that goes into Armenia and Azerbaijan.

A Turkish Foreign Ministry official on Friday cited "Baku's wish to shorten flights of Azerbaijani planes" as the reason for the alleged Azeri move for the air corridor's reopening. Another official said on Thursday that a Transport Ministry decision on the air corridor was expected soon.

Ankara closed the corridor which allows flights over Turkish airspace to Armenia in 1993 in protest an Armenian military drive which seized about 20 percent of Azeri lands. The Azeri official, who asked not to be named, complained about what he called an "Armenian lobby" in Turkey that also finds supporters in the press.

"Ignoring the plight of the Azerbaijani people, some circles promote the interests of Armenia, which looks forward to improving ties with Turkey without actually making the slightest effort to end the invasion of Azerbaijan," he said.

Regarding last month's talks in Ankara between Turkish authorities and Zhirayr Liparityan, top adviser of the Armenian President Levon Ter-Petrosyan, the Azeri official said, "the Armenians talk, talk, talk. They talk about peace. But when it comes to taking practical steps, they do nothing, because they don't want to pull back from the occupied territories."

Another Azeri authority, Vafa Guluzade, adviser to President Geydar Aliyev, said last month that there was immense pressure by the United States on Turkey for normalizing ties with Armenia.

Regarding the Armenian attack near Tauz, one Azeri commander told REUTER[illegible] that the Armenians already had attained areas overlooking the town. "They are in an advantageous position because they can shell us from overhead," he said.

The fighting in this northern border region, 400 km northwest of the capital Baku, has potentially wider implications since it involves Armenian regular troops.

One Azeri commander said five of his soldiers had been killed and three wounded in the fighting. Reporters counted 10 injured civilians in a local hospital.

"This is a typical Armenian move. they launch attacks in the spring each year. The latest attack is another indication that the Armenians do not consider peace," the Azeri official in Ankara said.

Armenian and Azeri forces have been in a state of virtual war for seven years over the enclave of Nagorno-Karabakh, a region of Azerbaijan populated mostly by ethnic Armenians. The Karabakh Armenians, with the apparent help of Yerevan, has seized the whole enclave and occupied an additional 20 percent of Azerbaijan proper. Tens of thousands of people have perished in the armed conflict.

But there has been a fragile ceasefire for the past 10 months.

Unrest Cancels Aliyev Pakistan Visit

NC1303183895 Baku TURAN in English 1405 GMT 13 Mar 95

["Certain Political Forces Stand Behind the Events Taking Place in the West of the Republic—Believe Most of Observers, Geydar Aliyev Has Postponed His Visit to Pakistan"—TURAN headline]

[FBIS Transcribed Text] Baku (March 13) TURAN—Some employees of the Special Police Division [SPD], who made rallies in Akstafa and Kazakh regions made a collusion with Nuster Budagov—the main financist of the ex-premier Suret Huseynov. TURAN was told by informed source. Nusret Budagov was the Head of Charitable Organisation "Nijat" in Ganja, which was aware of many key points in the team of the ex-premier. After the October events in 1994 he escaped and was wanted.

Lately the employees of the Special Police Division (SPD) were making rob [robbing] and did not subordinate to anybody, according to well-informed source in the Ministry of National Security. The same source consider that "the alliance SPD and the Popular [People's] Front can be seen in the events in Kazakh and Akstafa." The members of the APF [Azerbaijan People's Front] believe that the forces connected with Ayaz Mutalibov, Suret Guseynov and Rahim Gaziyev stand behind the events in the west of the republic. According to APF former Minister Rahim Gaziyev is hiding away somewhere in one of the northern regions of Azerbaijan, where the events similar to the events in Kazakh are preparing. The purpose of the events is to take the power in Baku, consider the same sources.

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According to the Deputy of the SPD Jafar Jafarov he knows nothing about the details of the events taking place in the west of the republic and, probably, some employees of the SPD are involved in the anti-governmental actions. "Today in the morning I met with the Interior Minister, we discussed the situation and when I came back all the telephones in my office had been switched off. I think that a new provocation has been prepared against us , just like that one which took place early in October last year," said Jafarov.

Nevertheless there are armed police units near the headquarter of the SPD. Cars and documents of drivers are checked on the roads close to the governmental buildings.

Today Geydar Aliyev postponed his visit to Pakistan, he has to leave there today in the morning.

Police Rebel, Seize Control of Akstafa, Kazakh Regions

NC1303184995 Baku TURAN in English 1420 GMT 13 Mar 95

["Armed Persons From Special Police Department Seized Power in Two Western Regions of Azerbaijan"—TURAN headline]

[FBIS Transcribed Text] Baku (March 13) TURAN—Last Saturday [11 March] the situation on the west of Azerbaijan sharply aggravated.

On February 12 [as received] at night the group of persons from the Special Police Department (OMON) [Special Purpose Militia Detachment] seized the buildings of the Executive power and the Police Department of the Akstafa region. There was skirmish and one person from each of the parties was killed and several ones were wounded.

After the seizure of the above-mentioned objects, the armed persons went to the neighbouring Kazakh region and also seized there the buildings of the Executive power and Police Department. Presently the activities of the authorities in those regions are paralyzed. This mourning TURAN tried to get in touch with Kazakh and Akstafa, but the local telephone girl told our correspondent that the armed persons are close to her and they do not allow her to connect Akstafa and Kazakh with Baku.

"The events in Akstafa and Kazakh are the response of the criminal elements and several employees of OMON to the legal activities of the authorities", the Minister of Interior, Ramil Usubov, told TURAN. He said that the crisis began after the local police together with Ganja's policemen detained contrabandists in Kazakh, who attempted to remove the strategical raw material from Azerbaijan. "Over the past two weeks the special departments of the Ministry of Interior detained and confiscated here about 100 tons of aluminium and 50 tons of copper, this night scores of guns were confiscated from the criminals in the Akstafa region", the Minister of Interior said. "As response to that the criminals and the OMON employees decided to seize the power", Minister of Interior said. Ramil Usubov considers that "part of the OMON employees is not subordinate to anybody and up to the last moment they and the group of criminals maintained the control over the strategical raw material trade in this region of Azerbaijan".

The Minister of Interior refuted the information that after the seizure of power in Akstafa and Kazakh the armed persons went to Ganja and there were armed conflicts between them and local police. Ramil Usubov also mentioned that "at present all necessary measures are taken to liquidate and localize the mutiny".

The situation in the Tauz region is calm, the armed persons from Kazakh attempt to enter Tauz, the Head of the local Executive power told TURAN.

The unofficial sources told TURAN that the Deputy Minister of Interior, the former Commander of OMON, Rovshan Javadov, and the Chief of the Management for struggle against organized criminality, Fatulla Guseynov, left for the zone of actions. The same sources report that last night there was extraordinary meeting of the leadership of the Ministry of Interior, which completed today at 11 a.m.

In Baku the situation is calm, but since the morning all governmental buildings are controlled by the armed policemen, units of the Presidential Guard and National Army.

"We do not have anything in common with the events in Kazakh and Akstafa", the Deputy Chairman of the PFA [People's Front of Azerbaijan], Ali Kerimov, told TURAN. "Yesterday our supporters conducted the rally there, but we demanded release of arrested members of the PFA. We did not take place in any conflicts", Ali Kerimov said.

Special Police Seize 2 Rayon Administrations

MK1403110095 Moscow SEGODNYA in Russian 14 Mar 95 p 1

[POSTFACTUM report: "Azerbaijan Police Mutinies"]

[FBIS Translated Text] According to informed sources, the special-purpose police detachment subordinated to Rovshan Dzhavadov, Azerbaijan deputy internal affairs minister, has captured the buildings of the country's Kazakh and Agstafa rayon administrations. There are casualties. Azerbaijan President Geydar Aliyev has canceled his trip to Islamabad where he was supposed to take part in the meeting of heads of state of Economic Conference member countries. Ministry of Internal Affairs organs have been put on enhanced service status.

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Georgia

Shevardnadze on Economy, Copenhagen Summit

LD1303201095 Tbilisi Radio Tbilisi Network in Georgian 1312 GMT 13 Mar 95

[Interview with Georgian State Council Chairman Eduard Shevardnadze by correspondent Nato Oniani in Tbilisi on 13 March—recorded]

[FBIS Translated Excerpt] [Oniani] Batono [polite greeting] Eduard, as a rule, you begin the review of last week's events with a talk on the economy, and perhaps the Copenhagen summit is linked with this issue. This morning the Georgian delegation returned from Copenhagen where a summit dedicated to the issues of social development was held under the auspices of the United Nations. This meeting is all the more interesting for our country as those who addressed the summit, presidents, prime ministers etc., tied social development with politics, the issue of territorial integrity and conflicts, as was contained in your address.

[Shevardnadze] Thank you. Greetings, dear radio listeners and my apologies for the delay, which was through no fault of my own. It has to do with aviation and other objective causes.

I will dwell on the Copenhagen summit later on but now, I do not want to break the tradition and would like to give you a survey of the economy and of those issues that are connected with the economy. First, of course, I must stress the participation of our delegation in the Copenhagen summit on social development where leaders of nearly every country participated. This is yet another step forward in increasing the activities of the international commonwealth in Georgia for the support of reforms and the processes of democratic transformations. [passage omitted] As a result of the measures taken for settling tax payments into the budget, 14.5 trillion coupons have been paid into the state budget in February, which is nearly 10 trillion coupons more—i.e. twice as much than in January. In total, in two months 18.3 trillion coupons have been paid. In February, 2.5 trillion coupons had been paid into the budget as value added tax, which is 3.5 times more than in January. [passage omitted]

I think that administrators of many rayons are listening to me now and I will reiterate and reprimand those heads of rayons and towns that have not as yet discussed the budget for 1995. I think this is an anomaly and I must say openly that if such an attitude toward the budget continues we will have to release such mayors and administrators from their duties. I have already said how the situation in the budget changed in Tbilisi and Kutaisi. The republic gets its due sums and these towns have resources to finance many spheres. In many rayons attention is focused only on those taxes that remain locally. As for those sums that are to be sent to the republic's budget, the situation is lax there and I think it will be impossible to stand it any more. Therefore, during the monthly Cabinet of Ministers meetings when these issues are discussed, we will have to call in the rayon administrators and mayors and discuss these problems in detail.

As for the situation in internal foreign exchange, the coupon continues to gain in strength, which influences interbank relations. According to data from last Tuesday's trading, the volume of dollar supplies exceeded the demand for them, which strengthened the coupon slightly. One U.S. dollar traded at 1.299 million coupons. It is not a rapid jump for the coupon but it does indicate a certain tendency. [passage omitted]

One more thing, payments for electricity and gas remain grave. If the situation continues this way and if towns and rayons fail to make payments for electricity and gas, we will face a catastrophe. Then it will be impossible to talk about credits and loans from foreign countries, we must pay for what we consume. Still, I would like to welcome the fact that there were signs of revival in some spheres of industry in the first week of March, such as wood processing—the output of which was two to three percent more than of last year. Many enterprises have also started to function. This is a very brief outline of the economic and agricultural situation.

As for the Copenhagen meeting, the Danish summit was unprecedented from the point of view of its participants and their ranks. This in itself indicates that social issues in today's world are poignant, i.e. mankind today understands that social problems are most pressing. A vast majority of the summit participants were represented by the top officials—presidents, prime ministers, heads of state; some countries were represented by ministers, but a vast majority were represented by the top officials. The fact that the leaders of both developing and highly developed countries, as well as the leaders of countries with a transitional economy, recognize the poignancy of today's social problems and it shows that the gradual development of world public opinion is undergoing change, and it will help in the near future to resolve the problems of poverty, famine, and other issues connected with poverty.

I will not dwell on details in this interview as last night aboard the plane you witnessed that I gave quite comprehensive information to you and other journalists. I would like to address Georgian radio to use this material, which includes some interesting points. I would not like to waste time on reiterating myself here.

As I mentioned last night on the plane, there were hot debates at the Copenhagen summit on the interaction between politics and economy and especially the problems connected with conflicts. I would like to stress one thing in this context. I may declare bravely that very favorable conditions are being created for Georgia. You have listened to all addresses, analyzed these addresses, and you would agree if I say that these conditions are unique. I mean the settlement of conflicts and finding

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the solution for economic hardship. I have marked optimistic and realistic prospects during the dialogues that were held at the Copenhagen summit.

[Oniani] Last week Badri Khatidze was appointed representative of the head of state in Shida Kartli. He is a young man and will have to work in an absolutely new environment. You visited Gori [south of the South Ossetian border]. Apart from making this official appointment, you also visited a cotton mill, the Stalin museum, and the military unit stationed there.

[Shevardnadze] The appointment of Khatidze to Shida Kartli has attracted a certain degree of public interest. I must stress that this is understandable. He is a native of that land, a young man, a cultured and educated man, and a man of principle. I believe that the region will soon feel the great potential of the office led by Mr. Khatidze. I am pleased that representatives of rayons that are part of the province met the rapid promotion of this young man with enthusiasm. I hope that he will meet their expectations.

I have already discussed the great potential of the Gori cotton mill. I will issue an edict in the next few days aimed at using the potential of this very large enterprise as soon as possible. If the Gori cotton mill resumes operation—and this should certainly happen—then almost 14 sewing factories will also resume operation. This will create a lot of jobs and a lot of revenue in the budget, which we lack so much. Naturally, this will also contribute to the local budget—the budget of the town of Gori.

You know that we also paid a short visit to the military unit—the Gori training center. This is one of the good military units. Unfortunately, we had very little time but the unit commander, his deputies and other commanders made a good impression on me. They are doing a fine job.

As regards the visit to the Stalin museum, I know that it has aroused a lively interest in society. I would like to respond very briefly to this. This is not a matter of a change in the head of state's outlook on the world and principles but a matter of historical justice, objective assessment of Stalin's role, and a scientific study of his phenomenon. That is what we were discussing at the museum.

The time has come for this issue to cease to be the exclusive domain of dilettantes and become the subject of scientific study. I truly believe that a lot of what is being printed, written, and published is of a rather dilettante and subjective nature. If victory over Fascism is a unique achievement in the development of civilization then one cannot ignore the main engineer of this victory and the main protagonist. That is why the interest in Stalin's personality is gradually growing and will continue to grow in the future. This is despite the fact that the dictatorial methods used during almost the whole period of Stalin's (?rule) may be unacceptable. We should be able to make a distinction between the things unacceptable and the contribution of this personality to mankind and, above all, to victory over Fascism.

[Oniani] You said at the museum that a research center should be set up to study the period of Stalin's activity. This was indeed a very complicated period. The center would also study Stalin's personality. You also said that ahead of the anniversary of victory over Fascism there will be a lot of visitors to the museum, and this can be lucrative from a purely economic point of view. [passage omitted]

[Shevardnadze] This is absolutely right. I have no doubt that this year, and even more so in the future, the number of visitors and tourists will grow and reach maybe hundreds of thousands of people. This will be an enormous source of revenue. [passage omitted]

[Oniani] To conclude, Lieutenant General Nikolayev, the head of the federal service of the Russian border troops, and the Russian Deputy Foreign Minister Boris Pastukhov visited Georgia last week. An interesting statement was made at a news conference—that today the events in Abkhazia are being viewed not as the Georgian-Abkhaz conflict but as a conflict within a single country.

[Shevardnadze] I have already said and will repeat once again that the visit of Gen. Nikolayev and Pastukhov to Georgia was significant. There will be other visits in the near future and these visits will provide answers to many questions. Characterizing the conflicts the way I did in Copenhagen, in my mind, was accurate. It also coincides with what I discussed with Nikolayev. These are indeed internal conflicts, the country's internal problems. This, of course, does not exclude, rather on the contrary, implies the participation of an outer world in the process of a prompt settlement of these conflicts. By saying that I do not mean that these internal conflicts had been triggered by internal causes alone, I also noted in Copenhagen that these conflicts had been caused by an active assistance by outer forces. Both Georgia and Russia agree that these are conflicts within a single state, which once again highlights the indivisibility of the country and its territorial integrity. I would like to reiterate that the visit by Gen. Nikolayev and my dialogue with him was useful.

[Oniani] Thank you very much. You were listening to Eduard Shevardnadze, the chairman of parliament and the head of state.

Two Hundred Suspected Saboteurs Detained in Abkhazia

LD1303133595 Moscow INTERFAX in English 1127 GMT 13 Mar 95

[FBIS Transcribed Text] SUKHUMI, Mar 13 (Interfax)—Some 200 men, suspected of belonging to sabotage squads, have been detained in the Gal region, Abkhazia,

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since last Saturday [11 March] in a raid by Abkhaz law enforcement troops against saboteurs and bandits, sent in from Georgia.

As Givi Agrba, Abkhazia's interior minister, has told Interfax, two Abkhazi policemen were killed and three others were wounded, and "a large quantity of firearms were confiscated" in the course of the operation.

As Ruslan Kishmaria, governor of the Gal region, has reported to Interfax, the situation in the area is calm. All vital services are working. According to him, a rally was held in Gal Sunday to support the Abkhazi police actions against saboteurs and bandits in the region.

Abkhaz Militants Arrest 30 Georgians in Gali Rayon

LD1303152295 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 13 Mar 95

[FBIS Translated Excerpt] The Contact news agency, citing reports from Zugdidi, says that the Abkhaz side has stepped up its activity in Gali Rayon. An extra 1,000 armed militants have been deployed in the south of the rayon. More than half of those deployed in the village of Pichori are drug addicts, murderers, or robbers. They are breaking into the houses of peaceful civilians and plundering them mercilessly. [passage omitted]

The extremist gangs have been deployed in the villages Tagiloni, Nabakevi, Otobaia, Pichori, and Kvemo Barghebi.

On 11 March, Abkhazian militants detained 40 local residents in Gali, mainly women and young people. After a search, only 10 were released, while the remaining 30 were imprisoned in Ochamchire.

The Abkhazian militants have also dismantled and thrown into the Inguri River the bridge linking the Gali Rayon village of Tagiloni and the Zugdidi Rayon village of Shamgona, which was used by the local population. This is happening at a time when the Abkhazian side is urging the people to return to their homes, and claims that their safety will be guaranteed.

The local population cannot be reconciled to the separatist regime. That is why its resistance continues. Unidentified persons have recently blown up the car of the chief of the so-called Gali police, killing three Abkhazian militants. [passage omitted]

UN Protests Abkhaz Methods Against Georgian 'Terrorists'

LD1303210095 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] SUKHUMI, Mar 13 (Interfax)—A mission of U.N. observers in Abkhazia has filed an official protest with the Abkhazian authorities against the methods used by the Abkhaz Interior Ministry against Georgian terrorist and sabotage groups in the Gali District of Abkhazia.

In part, the note says that the Abkhaz police were armed with assault rifles instead of pistols, as envisioned by the regulations.

Commenting on the note, Abkhaz Deputy Foreign Minister Zurab Smyr emphasized that Georgian terrorists had portable grenade launchers and often armored vehicles. "Naturally, the liquidation of such well-armed groups cannot be carried out with mere police arms," he said.

Smyr said that the law-enforcement operation in the Gali District was "necessary and supported by the population, for the protection of which it is being carried out."

Smyr was amazed at the U.N. observers' failure to react to the "criminal actions of Georgian terrorist groups in the Gali District."

Abkhazia Protests 'Terrorist Activities'

LD1303205895 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] SUKHUMI, Mar 13 (Interfax)—The Abkhazian Government has issued a protest on the relentless terrorist activities in the Gali District of Abkhazia which destabilize the region.

A government statement made public Monday [13 March] says that a Georgian commando group fired at a car belonging to an Abkhazian Interior Ministry mobile group in the village of Nabakevi, controlled by the Russian peacekeeping units. Two policemen were killed on the spot and a third died later in a hospital. A fourth police officer was gravely wounded.

The Abkhazian government "was compelled to take steps to protect the civilian population from gangs active in the Gali District," the statement reads.

The statement said that the gangs have heavy weapons, rocket launchers and machine guns.

Ardzinba Accuses Georgia of Genocide

BR1303153295 Rome L'UNITA in Italian 13 Mar 95 p 12

[Interview with Abkhaz President Vladislav Ardzinba by Maddalena Tulanti in Sukhumi; date not given: "We Hope Russians Will Save Us From Shevardnadze"]

[FBIS Translated Excerpt] Sukhumi—[passage omitted] Though the same age as Dzhokhar Dudayev, the other "rebel" of the Caucasus, Vladislav Grigoryevich Ardzinba, president of Abkhazia and enemy of Shevardnadze, is nothing like the Chechen general. He is tall and very dark, and although 50 years old, looks 10 years younger; he wears a jacket and necktie, and does not like weapons and soldiers. He also hates being called rebel. A

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historian by profession, he first entered politics at the time of the USSR and Gorbachev. But he was never an admirer or Gorby and his loyal Shevardnadze because he realized that the destruction of the Soviet Union would entail that of his Abkhaz homeland. We met with him in the presidential palace on Lenin street, a "white house" with only two stories, that used to be the seat of parliament.

[Tulanti] Mr. Ardzinba, do you mind if I ask you first, what is the difference between an Abkhaz and a Georgian?

[Ardzinba] They are two entirely different peoples forced to live close together. Even more different than the Germans and the Italians, because at least they belong to the same Indo-European linguistic group. The Abkhaz and Georgian peoples are divided even by the origins of their languages: One belongs to the Adygean group, the other to the Kartvilian group.

[Tulanti] Is that sufficient grounds for demanding independence and sovereignty? After all, there are only 100,000 of you...

[Ardzinba] I was ready for that question; I will have to enlarge somewhat. First, there are not only those of us who live in Abkhazia; there are 500,000 Abkhazes in Turkey, while many others live in Europe. As for our country, it has a 1,200-year-old history. The Genoese played a leading role at one stage in our history. It was in fact a 13th-century Genoese traveler who described the flag that we have now reintroduced: An open hand against a red ground. Later Abkhazia performed a crucial role in the reunification of the whole of Georgia. It was disputed at that time by us and the Armenians. Most of Georgian territory was in Abkhaz hands. You see? We were not always as small as we are now. During the Soviet era, Abkhazia passed from total sovereignty to federation with Georgia. Then in 1989 President Gamsakhurdia abolished all the existing agreements and restored the single state. Negotiations began but the broke down, and the tanks arrived 14 August 1992. All we could do was take up arms. It was genocide.

[Tulanti] The Georgians too talk in terms of genocide, but they say that it was you who perpetrated it...

[Ardzinba] Let us consider the facts. Who ordered in the tanks? That is the starting point. Second, in the territory occupied by the Georgians, the district of Ochamchira, not a single Abkhaz is left: outright ethnic cleansing. As for the Abkhazes, they were simply exterminated. There are documents that testify to the fact that the Georgians' objective was to ethnically cleanse the territory, leaving only Georgians. We have come into possession of a document addressed to Butrus-Ghali, to which was attached a map showing the river Gurnista, the front line, the furthest extent of the ethnic cleansing. Any charge of genocide leveled at us is nonsense. We did not attack Tbilisi; it was Tbilisi that attacked us. And the refugees are the result of that war.

[Tulanti] How much influence has the war in Chechnya had on the situation in Abkhazia?

[Ardzinba] After the Geneva meeting talks were supposed to take place in Moscow between Georgian and Abkhaz experts on 14 December. But the Georgians did not attend; they refused to take part. The reason they gave was that the pervious 26 November Abkhazia introduced its own constitution and thus violated the agreements. The fact is that the Georgians already knew that Chechnya would be invaded and had received guarantees that it would have been helped in resolving the Abkhaz problem in the same way. This is the influence that Chechen affairs have had. At the same time a campaign was unleashed against Abkhazia. It was argued that the Chechens had training camps in Abkhazia and that Abkhazes went to fight in Chechnya. For one thing, our territory is not so large as to make it impossible to monitor the whole of it, not to mention the fact that there are Russian peace troops (the 345th airborne regiment is in Gudauta) and UN observers. Moreover, some people have forgotten that Abkhazia and Chechnya do not even share a border: Karachyaevo-Cherkessiya and Kabardino-Balkaria lie between them. Be that as it may, whether guilty or innocent, sanctions have been taken against us and they closed the border. From 19 December through 13 February not even a single kilogram of flour entered our territory. We were besieged, even though we were at peace. This is the pro-Georgian policy of Shevardnadze's former pupils (Kozyrev—L'UNITA editor's note).

[Tulanti] So do you expect another war?

[Ardzinba] I think that the situation is very dangerous. This is why we do not want the Russian peace troops to leave. Any agreement presupposes a compromise, as we know. But we cannot accept something that nullifies all that we have gained. Last year's 4 April document signed in Moscow in the presence of Butrus Ghali restores relations between two states. It says that Abkhazia is a state with special powers, not a province or a region. There was added to this document a compromise on refugees, which we signed because the political part was accepted. Indeed, we have never agreed to separate the refugee issue from that of our country's status. But the refugee question is merely a pretext for resuming the shooting.

[Tulanti] Some people have even forecast a date for the start of hostilities—15 May, when the Russian troops will leave...

[Ardzinba] War is no easy enterprise, and Georgia has already attempted it. We all know what happened. Two years ago we liberated our land, and now we will be able to defend it.

[Tulanti] What are the differences between you and Dudayev?

[Ardzinba] First, I am no rebel. This, because it was the Georgians that organized a revolt against a federated

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state. So the concept of separatism does not apply to us at all. We have not seceded from anyone: It was Georgia that seceded from us. We are accused of extremism against Shevardnadze, but it was we who proposed starting negotiations: Is that extremism? The extremism is on the part of those who sent in the tanks and who use force. I am not a rebel leader; and in any case I am a historian, not a soldier. I am a Hittite specialist and I remain director of the Abkhaz linguistic, literary, and historical research institute. I do not like sudden, rash changes. I like to find peaceful solutions through compromises and calm changes. You know, it has been said that Abkhazia is dangerous because there are Islamic fundamentalists here. Did you know that Abkhazia is an ancient Christian state in which Muslims are in a minority? But in his first speech to the United Nations, Shevardnadze used Western stereotypes and immediately put a label on us, and since then we have been "fundamentalists."

[Tulanti] Have you ever met with Shevardnadze?

[Ardzinba] Twice. Once in Moscow, and once here immediately after the war, at Gudauta. What do I think of him? He was a leader of a totalitarian state for too long to succeed in creating a democratic state.

[Tulanti] Have you ever fired a gun?

[Ardzinba] No, I have never taken part in the hostilities, though I am commander-in-chief—rather an unusual one, though, insofar as I am a private. I am a historian, I repeat, and I am not clear about how to wage a war.

[Tulanti] Do you miss your academic career?

[Ardzinba] Yes, a great deal. I have always concerned myself wiht ancient history, and I must say that I feel more at home in the history of the people of 4,000 years ago than with my contemporaries.

[Tulanti] Is your family here?

[Ardzinba] No, my children are studying for their degrees in Moscow.

[Tulanti] What are they studying?

[Ardzinba] History, of course. Like their father and grandfather.

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Estonia

Reportage on U.S. Vice President Al Gore's Visit

Gore Arrives in Tallinn

WS1303142495 Tallinn BNS in English 1000 GMT 13 Mar 95

[FBIS Transcribed Text] Tallinn, Mar 13, BNS—U.S. Vice President Al Gore arrived in the Estonian capital on Monday for a six-hour visit.

Gore arrived in Tallinn on his U.S. Air Force 2 with Estonian President Lennart Meri from Copenhagen, where both attended the U.N. social development conference.

Immediately after his arrival, Gore proceeded to the residence of the Estonian president in Kadriorg for talks with Meri. They were expected to discuss mostly questions of foreign policy.

During the meeting, a bilateral agreement on technical cooperation in cleaning nuclear waste of the former Russian naval training base at Paldiski was scheduled to be signed.

U.S. President Bill Clinton, during his meeting with Baltic leaders in the Latvian capital Riga last July, promised Estonia two million dollars for eliminating the environmental damage left behind by Russian troops.

Gore will proceed from Kadriorg to the Tallinn Town Hall where he is scheduled to meet first with leaders of Estonian political parties and then with the prime ministers of the three Baltic states. He is expected to discuss with the Baltic heads of government the situation in Russia and its breakaway republic of Chechnya.

Gore and Meri will later in the day give a public address in Tallinn's Town Hall Square.

Meri, Gore Speak to People of Tallinn

LD1303151195

[FBIS Editorial Report] Tallinn Radio Tallinn Network in Estonian at 1300 GMT on 13 March broadcasts a 3-minute report by an unidentified correspondent on speeches by U.S. Vice President Al Gore and Estonian President Lennart Meri to the people of Tallinn on the Town Hall square today.

During the recorded extracts of the speeches broadcast by the radio, President Meri says: "We are convinced that the United States does not rule out Estonia becoming a member of NATO. We are convinced that the U.S. Government does not have a list determining the joining order of NATO for the states of central and eastern Europe. This very significant conclusion has been crowned by signing a document, a memorandum, which should lead to Paldiski being cleaned up from nuclear pollution.

"Dear compatriots, some minutes before coming to Town Hall square, I signed a resolution, according to which the new Riigikogu will be convened on the first day of spring, 21 March 1995."

Meri is following by Vice President Gore, who says, in English:

"We must remember, 50 years ago this spring a terrible war was coming to an end. Although the one great tyranny was driven back, liberation was incomplete. The peoples of the Baltic Republics faced decades of occupation, oppression, uncertainty, and fear. Hundreds of thousands of Baltics citizens, including your president, were exiled to wastelands far from home—many never returned. Let us remember them, and let us honor the memory of the fallen.

"Through the dark years, the people of Estonia and the people of Latvia and the people of Lithuania never gave up."

The correspondent adds that Gore touched briefly upon Estonia's economic success, on the market economy, and on relations between Estonia and the United States.

Gore: Ethnic Policy Example To Follow

WS1403110195 Tallinn BNS in English 1600 GMT 13 Mar 95

[FBIS Transcribed Text] Tallinn, Mar 13, BNS—U.S. Vice President Al Gore, giving a public address in Tallinn's central Town Hall Square on Monday [13 March], said Estonia's ethnic policy was an example the rest of the world would do well to follow.

Fair implementation of the citizenship law and Russian-speakers' involvement in the country's political life evidence that Estonia promises to become a state based on the rule of the law, tolerance, and modern values of a civilized society, the vice president said.

Estonian Head of State Lennart Meri, speaking before Gore, rated as a big achievement the representation of his country's non-Estonian citizens in the newly-elected parliament.

Our Home Is Estonia, the electoral union of Estonian Russian-speakers' parties, won in the March 5 general election six seats in the 101-member legislature.

Gore called on the Baltic nation to continue its policy of bringing the country's non-Estonian residents closer to the Estonian society. He voiced conviction this would help the people of Estonia build a harmonious future for their children.

Gore Backs Move Toward European Integration

LD1303174695 Moscow INTERFAX in English 1611 GMT 13 Mar 95

[FBIS Transcribed Text] TALLINN, Mar 13 (Interfax)—U.S. Vice President Albert Gore said he backed Estonia moving towards the European structures.

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Gore said during his appeal to the Estonian people on the City Hall Square in Tallinn today that the U.S. was in favor of Estonia participating in the family of people where there are no separation lines, no spheres of influence, in the family of people for which you have been fighting for a long time."

Gore said the countries in favor of free relations must have an access to all structures of free countries. He said there was a place for Estonia among these free countries.

Gore said Estonia must not fear. He said time when one state was dictating its will to others must not be repeated.

Gore said he believed that democracy had deep roots in Estonia which was proved by the parliamentary elections in the republic a week ago. Gore said the parliamentary elections proved that there was no national chauvinism in Estonia. He said the openness of the law on citizenship permitted a large part of Russian-speakers to take part in the elections.

Gore said he was sure that Estonia would continue the policy which would allow the republic to ensure for its future generations a more stable and safer society.

Agreement on Paldiski Clean-Up

WS1403105295 Tallinn ETA in English 1644 GMT 13 Mar 95

["News Release"]

[FBIS Transcribed Text] At the conclusion of their meeting in the Presidential Palace in Tallinn today, Vice President Al Gore and Estonian President Lennart Meri witnessed the signing of a bilateral Memorandum of Understanding on cooperative efforts to assess and help restore the environment in and around the Soviet-built nuclear submarine training facility at Paldiski, on Estonia's Baltic coast. The agreement is a direct outgrowth of President Clinton's July 6, 1994 commitment of $2 million in technical assistance to support the multilateral effort to help Estonia deal with the legacy of the Paldiski facility.

Under the agreement, signed by Estonian Minister of Energy Arvo Niitenberg and U.S. Assistant Secretary of Energy Thomas Grumbly, the United States will:

—Perform a baseline evaluation of radiological levels at the site (early spring 1995);

—Carry out a multi-sensor survey, full characterization of the site, and radiological survey (late spring 1995)

—Train Estonian experts in techniques of decontamination, reactor decommissioning, emergency response, and health and safety;

—Organize a workshop on risk assessment;

—Designate a program manager who will reside in Estonia to coordinate these and other U.S. activities and to consult with the Estonian Energy Ministry in developing an overall project plan for the Paldiski site.

The United States will continue to play an active role in the Paldiski International Experts Reference Group that was formed to coordinate assistance efforts. The group includes participation by the United States, Estonia, European Union, Finland, France, Germany, Japan, Russia and Sweden.

As the vice president noted in a statement at the signing ceremony, "this agreement today ... will help meet our common goal of restoring the Paldiski site .... I see this as a tangible expression of America's commitment to help Estonia overcome the legacy of the past."

Gore Offers Regional Airspace Initiative

WS1403104595 Tallinn ETA in English 1644 GMT 13 Mar 95

["News Release"]

[FBIS Transcribed Text] In his meeting today with the prime ministers of Estonia, Latvia and Lithuania, Vice President Al Gore offered the Baltic nations participation in President Clinton's Central European Regional Airspace Initiative (RAI). The initiative is designed to develop regionally intergated civil/military airspace regimes fully compatible and interoperable with Western civil airspace organizations and, potentially, with NATO. Phase I of the RAI consists of an architecture review of regional needs and requirements. The feasibility of constructing an operational system (Phase II) will depend upon the results of the architecture review and the commitment of national resources.

The Central European RAI was launched by President Clinton in January 1994 during his visit to Prague; the first countries involved were Poland, Hungary, Slovakia, and the Czech Republic. Phase I for these three countries was completed in late 1994. A similar Phase I study was offered to Romania, Bulgaria, and Albania in January; that study is due to be completed in 1995. The United States has offered the RAI to Slovenia and Austria. Preliminary discussion with the Baltic states on the RAI could begin this spring. Experts from the Federal Aviation Agency and United States Air Force will focus on basic concepts of civil/military control of national airspace and joint modernization programs aimed at minimizing duplication and fostering greater regional cooperation. The RAI will be adjusted to take account of ongoing national air traffic control and other air management programs.

Tarand on Foreign Policy Talks With Gore

LD1303231995 Tallinn Radio Tallinn Network in Estonian 1800 GMT 13 Mar 95

[FBIS Translated Excerpt] Before U.S. Vice President Al Gore made a speech at Town Hall square in Tallinn today, he met the prime ministers of the Baltic states in

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the Town Hall. Estonian Prime Minister Andres Tarand later spoke about this meeting to journalists. Uku Toom reports.

[Toom] The U.S. Vice President and the prime ministers of the Baltic states had many subjects for discussion. The meeting, however, focused on setting up a regional airspace control. Here is Andres Tarand.

[Begin Tarand recording] The position of all the Baltic states, their reaction to Russian President Boris Yeltsin's proposal he made some time ago in Almaty, that we could belong to a common airspace defense system with Russia, or the CIS—their response to this is a very specific and clear no. We wish to have a system that coincides with that of the NATO states. The United States has promised to help us with this—at the first stage with the coordination of the technical systems that have already been implemented, especially in Lithuania. [end recording]

[Toom] Tarand also noted that we could not join a regional airspace control system with Russia and the CIS if only because joining would be immediately used as propaganda against us by our eastern neighbor as a wish to rejoin the states of the CIS. Surely we do not want something like that to happen. [passage omitted]

[Begin Tarand recording] Quite a long discussion took place on NATO expansion. Gore repeated positions voiced previously: First, none of the states outside NATO can veto the expansion of NATO. Second, the United States has no list of joining order to determine which states, either in groups or on their own, to accept. It all depends on the readiness of any individual state in the former socialist camp. [passage omitted] Gore also repeated and emphasized that there is no intention of leaving the Baltic states not mentioned in this group—Russia could interpret this as leaving us in an undefined position. He removed our fears.

The U.S. side was interested in our opinions on Chechnya. Here, Estonia again emphasized the opinion—which it has repeated several times—that the violation of human rights in Chechnya is not an internal matter for Russia. Of course, the recognition of Chechnya could not be considered until the negotiations between Chechnya and Russia have reached this phase. [end recording] [passage omitted]

U.S. Vice President Ends Visit

WS1403111895 Tallinn ETA in English 0819 GMT 14 Mar 95

[From Mar 14 EESTI SONUMID, RAHVA HAAL, HOMMIKULEHT, PAEVALEHT, pp 1,2,3; "News Bulletin" No. 53/95]

[FBIS Transcribed Text] Vice President of the U.S. Al Gore made a brief visit to Tallinn yesterday. The vice president came to Estonia from the UN social development summit in Copenhagen.

Al Gore was welcomed at the airport by Prime Minister Andres Tarand, Foreign Minister Juri Luik and U.S. Charge d'affaires Jon Gundersen. A meeting with President Lennart Meri followed in the presidential residence in Kadriorg. The Estonian president and U.S. vice president discussed various foreign political issues, stressing particularly Estonia's relations with NATO. Vice President Gore stressed that no Eastern European country is given a higher priority concerning its admission to NATO. An agreement on U.S. aid to Estonia for the cleaning of environment in Paldiski was signed by U.S. Deputy Secretary for Energy Thomas Grumbly and Estonian Energy Minister Arvo Niitenberg. The U.S. will grant $2 million to Estonia for that purpose. President Bill Clinton promised U.S. aid for the cleanup of Paldiski in July last year.

An evaluation of the radiation levels will be conducted this spring by the U.S. and Estonian specialists, followed by a training programme on decontamination, nuclear installations safety and medical procedure. President Meri commented that the agreement "will close a chapter in Paldiski's tragic history and open another one, which will see its transformation into a small romantic town".

A briefing for the press followed. AL Gore again stressed that there is no list of priority candidates to NATO, but the member states are expected to agree on the admission of new members by the end of 1995. The expansion of NATO is not directed against Russia's interests and should progress together with a "deepening and clarifying of relations with Russia". The vice president further stressed the role of the Baltic Peacekeeping Battalion and announced a further $5 million aid for the unit.

The U.S. vice president then left for the Tallinn Town Hall for the meeting with the Baltic prime ministers Andres Tarand, Maris Gailis and Adolfas Sleeviius. Foreign Minister Juri Luik and Mayor of Tallinn Jaak Tamm also attended the meeting. The discussion with the premiers concerned the possible expansion of NATO, relations with Russia and the situation in Chechnya.

Al Gore recommended that the Baltic states participated in the Central European regional air space control initiative, proposed by President Clinton. The system will cover both civilian and military air traffic and will be compatible to that of NATO. Preliminary negotiations on the Baltic states' participation will begin in the spring.

The U.S. vice president and president of Estonia addressed the public at 13.45. President Meri stressed that the most moving moment of the meeting was Al Gore's request to be shown the bust of Ernst Jaakson, Estonia's diplomatic representative in the United States during the occupation period. He referred to Gore's personal commitment to environment protection and pointed out that the visit is a sign of U.S. approval to the continued reforms in Estonia.

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Vice President Gore remembered the history of the Baltic nations and assured Estonia of the U.S. continued support. The Baltic states may not be left in the "grey zone of fear and instability". He called for continued reforms and democratic development and stressed that Estonia may serve as a sign for the world, considering the progress made so far and expecting further success.

The U.S. vice president left Estonia at 15.00.

Latvia

Prime Minister Cited on Vice President Gore's Baltic Talks

LD1303163995 Riga Radio Riga Network in Latvian 1400 GMT 13 Mar 95

[FBIS Translated Text] The Estonian, Latvian, and Lithuanian prime ministers, Andres Tarand, Maris Gailis, and Adolfas Slezevicius met with U.S. Vice President Al Gore in Tallinn today. After the meeting, Latvian Prime Minister Maris Gailis told Latvian radio over the telephone the following:

[Begin Gailis recording] I would like to recall a discussion on the possible NATO expansion and it seems to me that the most important thing that we understood from the U.S. Vice President is that central European countries will not be divided into those that will be admitted to NATO first and others that [will be admitted] later. This is very important for our security.

We also discussed possible assistance from the United States in working out a unified airspace control. They are ready to send a special group that will study this issue to set up such a unified control.

We also discussed the threat to the western world and, of course, also the Baltic states, arising from the possibility of the organized crime [syndicates] setting up transit channels through the Baltic states for the transportation of illegal nuclear materials, arms, drugs, illegal immigrants, and so on. We understand that aid in this context is available.

I would also like to mention an idea which has already been expressed several times by various officials, that is, a possible UN summit in Riga in 2001 on the subject of disarmament for environmental protection and development. And [Vice President] Gore, who is known for his green environment orientation, found this idea very interesting and possibly deserving support. [end recording]

Riga To Repay One Third of Debt to Russia's Gazprom

LD1303172095 Moscow INTERFAX in English 1549 GMT 13 Mar 95

[FBIS Transcribed Text] RIGA, Mar 13 (PIA, Interfax)—The Latvian Latvijas Gase company will pay back at least one third of its debt to Russia's Gazprom shortly, its vice president Girt Stelbovic said. In his words, Latvijas Gase owes nearly $27 million to Gazprom.

Stelbovic did not think that Gazprom would discontinue gas supplies to Latvia as it had done to Lithuania. He emphasized that his company had good relations with the Gazprom management. The Riga City Council decided last week to take a 3.5 million lats (nearly $7 million) credit for Latvijas Gase to make a settlement with Gazprom.

The Russian Ministry for CIS Affairs says that the three Baltic states owe Russia a total of 490.63 billion rubles (over $104 million) for fuel. Russia has supplied 0.4 billion cubic meters of gas to Latvia and 0.8 billion to Lithuania.

Saeima Deputy Resigns Over Incident With U.S. Prostitute

MM1303140695 Moscow PRAVDA in Russian 11 Mar 95 p 4

[Report by Oleg Meshkov: "Latvian Deputy Disgraces Himself in Brothel"]

[FBIS Translated Text] Riga—A furor has broken out in Latvia over an incident involving Z. Tomins, deputy secretary of the Latvian Saeima. Here is the crux of the matter. At the beginning of February, while on an official trip to Washington, Z. Tomins became acquainted with Michelle Bisil [surname as transliterated], a local woman of easy virtue. Their meeting in his hotel room ended in a brawl.

According to one version, the Latvian deputy paid the prostitute for her services and then unexpectedly began to beat her up and tried to put a polyethylene bag over her head. The woman was only able to escape by using a can of tear gas. Needless to say, Tomins has his own—quite conflicting—version of events: He alleges that the woman herself forced her way into his room.

Criminal proceedings were due to be instituted against Tomins but the case was closed since the U.S. District Attorney's Office refused to back the charges against the deputy. To make up for it, their journalist compatriots gave him a real going over [spolna vozdali yemu]. The poor deputy was hounded to such an extent that he considered it a good move to resign since the charges against him are, according to him, casting a slur on the prestige and honor of an official and deputy of the Saeima.

Saeima Deputy Anatolijs Gorbunovs said that he understands the reasons for the resignation and supports this step. But it transpired that parliamentary standing orders do not enshrine a procedure for the voluntary resignation of a Saeima official.

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Industrialists, Prime Minister on 'Critical' Situation

LD1303160695 Riga Radio Riga Network in Latvian 1800 GMT 11 Mar 95

[FBIS Translated Text] Latvian industry is in a critical situation: enterprises have considerably reduced their industrial output, part of them are on the verge of bankruptcy, uncertainty and disorder reign in the privatization process, and the interest of foreign businessmen in making investments is smaller than has been expected.

Such an assessment of the current situation in Latvian industry is given in a state industrial strategy project, which has been drafted by the Ministry of Economics. To overcome the crises, priorities have been defined for the development of Latvian industry and a mechanism for their implementation.

Representatives of producing enterprises of Latvia met in Riga today to discuss this conceptual project. Prime Minister Maris Gailis recognized at the meeting that an industry with such a small internal market as the one in Latvia would find it difficult to get back on its feet without help from the government. The prime minister promised to rectify mistakes allowed by the previous government when the state order, high-handedly imposed in 1992, drove many state-owned enterprises into hopeless debts. He stated that the post of state minister for privatization will soon be scrapped and the post of state minister for industry will be introduced. He also recognized that it would be useful to create a ministry of foreign trade and industry.

Lithuania

Brazauskas on Importance of Signing Treaty With EU

LD1303204095 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] VILNIUS, Mar 13 (Interfax)—Lithuanian President Algirdas Brazauskas believes that the future signing of a treaty on his republic's associated membership in the European Union "could be regarded as the most significant political event of the century for our state." He made this statement in an interview with the national radio broadcast Monday.

Lithuania had signed a treaty on free trade with the then European Community in July 1994. The treaty came into force in early January 1995. Since the start of 1995, two rounds of talks have been held to finalize the treaty on associated membership, the head of the Lithuanian state delegation to the talks, Lithuanian Foreign Ministry Secretary Albinas Januska told Interfax Monday. Only two E.U. conditions remain to be met: to legalize the sale of land to foreigners and lifting restrictions on foreign investments in some sectors of the economy such as telecommunications and prospecting for underground resources.

Brazauskas pointed out the need to enable foreigners to purchase land in Lithuania. However, he emphasized that the land must not be used for agriculture. (A relevant constitutional amendment was introduced in the Lithuanian parliament to be discussed within the next weeks - IF note).

Brazauskas emphasized that the future treaty will "reinforce guarantees for state security and create a foundation for strengthening statehood for many decades, maybe even centuries to come, as well as open new possibilities for the movement of goods and people."

As soon as the treaty on Lithuania's associated membership in the E.U. is signed the republic will enter a new phase in its development and can seek full membership in the E.U., Brazauskas said.

Russia Trying To Keep Baltic States Under Its Influence

LD1303204495 Moscow INTERFAX in English 1912 GMT 13 Mar 95

[FBIS Transcribed Text] VILNIUS, Mar 13 (Interfax)—Deputy Chairman of the Lithuanian Parliament Committee on Foreign Affairs Algirdas Gricius has said Moscow does not want to allow the Baltic states to join NATO and tries to keep them within the sphere of Russian influence by all means possible.

He told Interfax today that his point of view was based on "very dangerous" statements by Russian Foreign Ministry officials about Russia not objecting to ex-members of the Warsaw Pact joining NATO but excluding the Baltic states.

Gricius said that within the context of such a situation Lithuania should intensify its activities for accelerating its integration with NATO.

He said he believed that Lithuania should cooperate with other Baltic states to ensure security. At the same time, Gricius said Lithuania should necessarily condition its admission to NATO with Latvia and Estonia joining the alliance.

Gricius said it would be more beneficial for Lithuania to seek admission to NATO together with Poland as the countries had a common border and had to face the same problems concerning the Kaliningrad Region. He said Lithuania and Poland could also create a joint system for control over air space.

KGB Archives Still Causing Major Problems

MM1303151495 Moscow IZVESTIYA in Russian 10 Mar 95 p 4

[Report by Nikolay Lashkevich: "Lithuania: Who Has Got the KGB Archives?"]

[FBIS Translated Text] Vilnius—The KGB's archives in Lithuania, containing almost 300,000 files which were

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not removed but were left behind by the former leadership of the Lithuanian SSR state security service for storage in the building known throughout Vilnius as the "House on Lenin Square", are still a source of the most acute public disagreements in the republic and an object of blackmail and political racketeering.

Admittedly, the wave of public disclosures in which the Lithuanian newspapers would reveal almost daily the latest crop of sensational stories about collaboration between this or that politician and the KGB has now subsided. However, the problem of ensuring the safekeeping of the remaining archive materials has become even more acute.

There were broad repercussions after the affair in which Vitukinas, a security service staffer who tried to blackmail a Swedish citizen and former resident of Lithuania who had married a Swedish man, demanded 2,000 German marks [DM] from her in order not to reveal information about her KGB links. The woman did not give in to this provocation and lodged the appropriate complaint. The blackmailing archivist was quickly tracked down and arrested. Everyone saw yet again the formidable weapon in the hands of those who have links with the KGB archives and the adverse consequences that can result from the atmosphere of universal suspicion and distrust.

There is so much mystery surrounding the KGB's Lithuanian archives today that it has proved impossible to unravel it yet. This would not have been a problem now but for the activity of the so-called Gajuskas commission—B. Gajuskas was a Supreme Soviet deputy and chairman of the temporary commission set up in the fall of 1991 to investigate the KGB's activity in Lithuania. It is still unclear to this day how much archive material was removed from the KGB building in Vilnius or by whom during the 18 months that the commission was ruling the roost there. The General Prosecutor's Office, which has reopened the criminal case into the loss of the archive documents, prefers not to discuss this matter.

The circumstances surrounding the return to Lithuania of certain KGB archives from Russia in 1992 are also unclear. According to G. Ilgunas, now general director of the Lithuanian archives and at that time chairman of the commission for talks with Russia on the return of the KGB archives, the official records show that V. Zhemyalis, a Supreme Soviet deputy, and Sajudis Chairman Yu. Tumyalis had been given over 100,000 files at the KGB's archives in Ulyanovsk Oblast although no official receipt for these document has been found in the KGB's Lithuanian archives. So it has also remained unclear whether those documents were handed over, whether they disappeared, or whether they have simply been forgotten and are now gathering dust in a basement somewhere. Given that there was no order introduced into work with the archives—there were no regulations, lists of people allowed access to the archives, and so forth—it is no wonder at all that such thefts of documents occurred. According to eyewitness evidence, KGB materials or copies of them were in circulation even at the Garjunaj market, a goods market well known throughout the northwest of the former USSR. In addition, some parliamentary deputies and members of the Gajuskas commission who had obtained the KGB archives after August 1991 and had apparently tried to take some vital materials away with them were caught red-handed but for some reason were let off scot-free. The scandal which then broke out came to naught.

Thus the high-handedness of the commission's deputies, who walked off with these documents literally hidden under their jackets, has had no repercussions. Carefully selected highlights of all these materials subsequently appeared in the then official publication LIETUVOS AIDAS under the rubric "The Spiders Web." The names of KGB agents, real and imaginary, were revealed to thousands of readers and so much dirt was dished out that many politicians have still not been able to wash it off. Former Prime Minister K. Prunskiene was so affected by the story of her supposed collaboration with the KGB that she voluntarily vowed to give up office and now declines all high state posts.

The belief in Lithuania is that it was because of the archives that a scandal broke out around two years ago—and continues to rage to this day—over B. Skuodis, chairman of a new center investigating the Lithuanian genocide, a former dissident, and political prisoner, whose nomination displeased the leadership of the influential association of political prisoners and exiles which is headed by the well-known B. Gajauskas, who after the war fell into the hands of the NKVD and did a long stretch in the Soviet camps. A part of the archives must inevitably find its way to that scientific research center, which means that they will be under the control of an "outsider."

An inventory and a stock list are being drawn up now and it has already been established that someone has done a good job on a series of files: In some files names have been excised with scissors and whole pages have been cut out. One can only guess: Either this was the work of some former KGB officers who have stayed on to live in Lithuania and were covering up their traces or else the new bosses of the archives were at work here. In Lithuania, incidentally, there is no doubt that quite a few files were left behind deliberately—to inflame the atmosphere of suspicion and blackmail. Let's see how you get yourselves out of this mess, they say....

A particularly large quantity of archive materials was shipped out after 11 March 1990—the restoration of Lithuanian independence day. In the main the files removed related to postwar agents, "defenders of the people" who fought against the "forest brothers," and present-day agents. And no matter what efforts Lithuania makes to bring those documents back to Vilnius, they will invariably prove fruitless: No special service gives out that kind of information. Last year Moscow gave a clear reply: The KGB archives which have been removed will not be returned to Lithuania.

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However, in G. Ilgunas' words, Lithuania does have some files on KGB agents and operational materials from which former agents who collaborated with the state security service can be identified without undue difficulty. There are financial accounts giving specific remuneration figures. There are personally signed files relating to collaboration. From these files, as the Lithuanian chief archivist asserts, it is possible to identify the KGB's entire former agent network in the republic. Thus the KGB has bequeathed Lithuania a rich legacy. The big question is why it has done that. Recently a firm rule has been introduced in Lithuania: This legacy is not to be touched even if only because each file contains a welter of misinformation and double agent's logic: In one file a certain person appears as an NKVD staffer, in another he is named as a die-hard member of the underground resistance. There are countless examples of that kind.

Despairing of ever ironing out the dispute between the association of political prisoners and the new leadership of the center for the study of the genocide and thus of defusing the passions over the fate of the archives and aware of the legal problems of the safekeeping of the documents, President A. Brazauskas has proposed that these archives be sealed for 10 years. Meanwhile everyone is waiting for the latest salvo from the KGB documents which are being passed around from one private individual to another right now and for the next politician to fall victim to a new wage of KGB-mania.

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